Stock Code: 8103

瀚荃股份有限公司
CviLux Corporation

2023
Annual Report

Annual Report Inquiry Websites
Market Observation Post System: https://mops.twse.com.tw
The Company’s Website: https://www.cvilux-group.com

Published on April 30, 2024

I. Name, title, phone number, and email address of the Company's spokesperson and the deputy spokesperson:

Spokesperson: Maggie Wang Pei-Lien
Title: Chief Corporate Governance Officer
Tel: (02) 2620-1000 Ext. 11801
Email: maggie.wang@cvilux.com
Deputy Spokesperson: Apple Lei Shun-Yi
Title: Management Specialist
Tel: (02) 2620-1000 Ext. 11803
Email: apple.lei@cvilux.com

II. Address and phone number of the headquarters, branch, and factory:

1. Headquarters and Factory:
   Headquarters Address: 9F., No. 9, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan
   Factory Address: 8F., No. 13, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan
   Tel: (02) 2620-1000
2. Branch: None

III. Name, address, website, and phone number of the stock transfer agency:

Name: Shares Registration Service Department of Hua Nan Securities
Address: 4F., No. 54, Section 4, Minsheng East Road, Songshan District, Taipei City, Taiwan
Website: https://www.entrust.com.tw/
Tel: (02) 2718-6425

IV. Name of the CPA and name, address, website, and phone number of the accounting firm for the financial statements in the most recent year:

CPA: Tang, Chia-Chien and Huang, Ming-Hong
Accounting Firm: KPMG
Address: 68F., No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City, Taiwan
Website: https://home.kpmg/tw/zh/home.html
Tel: (02) 8101-6666

V. Name(s) of the exchange(s) where our securities are traded offshore, and the method(s) with which the information of the offshore securities is/are accessed: None.

VI. The Company's Website: https://www.cvilux-group.com

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One. Letter to Shareholders

Dear Shareholders:

First of all, thank you for your support and trust in CviLux!

The three-year pandemic has driven the world's crazy demand for electronic products. The material without shortage and with shortage have caused excessive orders, resulting in the customers and the entire supply chain to enter a period of inventory correction in the fourth quarter of last year. In addition, the pressure of inflation has affected the demand at the consumer end and the capital expenditure of enterprises. In addition, the issue of de-sinicization for supply chain is still going on. Under such a macro environment, CviLux achieved the consolidated operating revenue of NT$2.959 billion, net profit after tax of NT$215 million, and earnings per share of NT$2.76 in 2023.

However, in the future, we expect that AI notebooks will replace traditional notebooks as a new productivity tool. This will drive the demand for flexible cables and supporting connectors, as well as other components. In addition, the demand for high-current connectors and cable components of electric vehicles and peripheral charging equipment will also grow significantly. The above will bring favorable growth for the Company's revenue and profit. We will continue to devote ourselves to the innovation of products and services, as well as the improvement of production efficiency and market competitiveness, to ensure that we maintain our leading position in the increasingly fierce market competition.

CviLux will continue to develop products coping with the modernized energy-saving and energy-storage related industry to meet the market trend, and strengthen green manufacturing to meet customer requirements; continue to increase the proportion of non-consumer revenue and revenue from Europe, the US, and Japan, while focusing on niche industry product applications. ESG is now not only a hot topic, but also a standard configuration for manufacturing orders. The implementation of ESG infuses the sustainability mindset into products and operations to maintain competitiveness. CviLux's mission for society and the world is to provide parts and components for the global electronics industry in the hope of contributing to the convenient life brought by electronic products for all human beings. In addition to continuously operating prudently to reward employees and shareholders with profits, we also follow the ESG philosophy and practice "environmental, social and corporate governance" to enable the sustainable development to exert the corporate value.

Thank you for your support over the past year. We look forward to continuing to share our success and growth with you in the coming year.

The 2023 Business Report and the summary of the 2024 Business Plan are shown below:

I. Business Results in 2023

(I) Results of the Business Plan:

Consolidated Financial Statements

Unit: NT$ thousand

Item	2023	2022	Growth Rate (%)
Operating Revenue	2,958,621	3,727,014	-20.62
Gross Profit	1,008,222	1,106,425	-8.88
Operating Profit	297,059	371,349	-20.01
Net Profit After Tax	215,018	328,082	-34.46

In 2023, CviLux Group’s consolidated net operating revenue was NT$2,958,621 thousand, showing a decrease of 20.62% compared to the performance in 2022. The consolidated net profit after tax was NT$215,018 thousand with an annual decrease of 34.46%.

(II) Implementation of Budget: N/A.

(III) Revenue and Profitability Analysis:

1. Financial Revenue and Expenditure:

The paid-in capital was NT$789,561, the shareholder’s equity was NT$3,072,778, the total indebtedness was NT$1,946,749, and the debt ratio was 38.78%. The long-term fund to fixed assets ratio was 342.17%; the stability of financial structure and solvency is shown.

2. Profitability Analysis:

The consolidated revenue of the Company increased by 20.62% in 2023; the EPS after tax was NT$2.76.

Item	2023	2022
Return on Assets (%)	4.50	6.66
Return on Shareholders’ Equity (%)	7.01	11.07
Operating Profit to Paid-in Capital (%)	37.62	47.03
Pre-tax Income to Capital (%)	43.22	63.83

Net Income to Sales (%)	7.27	8.80
Earnings Per Share (NT$)	2.76	4.20

(IV) Research and Development:

1. Annual R&D Expenses Invested in the Most Recent Three Years:

Unit: NT$ thousand

Item \ Year	2023	2022	2021
Research and Development Expenses	135,884	115,875	89,557
Net Operating Revenue	2,958,621	3,727,014	4,159,393
Ratio to the Net Operating Revenue (%)	4.59	3.11	2.15

2. Technologies or Products Developed Successfully in the Most Recent Year:

CviLux

(1) Fine-pitch low-profile high-reliability FFC/FPC connectors.
(2) Flexible flat cable connector for ultra-narrow-frame camera module
(3) Wire-to-board connector for battery pack
(4) Low-density plywood type busbar connector
(5) Universal wire-to-board connector for high-strength industrial control
(6) Wire-to-wire connector with 2.0mm pitch for industrial control
(7) Waterproof magnetic busbar transfer technology
(8) High-speed universal busbar connector
(9) high-current composite wire-to-board connectors.
(10) High temperature resistant application technology of flexible flat cable
(11) High-frequency transmission flexible surface mount flexible flat cable

CviCloud

(1) Smart commercial pour-over coffee makers and smart household pour-over coffee makers
(2) Live e-sports series products (web cam, control pad, capture) and platform system
(3) Fan-type environment purifiers, portable environment purifiers.
(4) Remote medical system and diagnostic scope set terminal equipment.
(5) In-vehicle air purification system and wireless charging system
(6) Smart access control system, smart long/short-term rental system.
(7) Smart Video Intercom System
(8) Sustainable and carbon-neutral soft and hardware solutions
(9) Smart bathroom system

II. Summary of Business Plan and Outlook for 2024

(I) Business Policies:

Complying with the standards for sustainable governance, CviLux pays continuous attention to the sustainable development issues of enterprises and society. With the focus on the targets in the environmental, social, and governance dimensions, we implement ESG through corporate carbon reduction, labor policies, and formation of a Board of Directors and governance information, joining the trends that help us live up to the expectations of the customers and society.

CviLux launched the CG2020 Smart Manufacturing Project in 2018 with the aim at introducing manufacturing execution system (MES), warehouse management system (WMS), and supervisory control and data acquisition (SCADA) to the production factories of the Group by 2022. In light of the customers' products and the industrial trends, we work in tandem with suppliers to reduce the variable costs and actively foster the digital transformation of production via professional division of work and joint production. CviLux has completed the digital transformation and the setup of a data platform and cloud platform. The subsequent efforts will be invested in the development in the fields of data application, AI, system development, production and operation management, marketing management, human resource management, R&D management, financial management, information security, and smart management platform. By enhancing the technical capacity of the Company's smart operations, we allow smooth access to information and data from the "equipment level" at the factories to the "management level" of the enterprise. Adopting diversified management, CviLux bolsters the R&D and capability of parts and components in a constant manner, and overcomes the obstacles to management through digital transformation. With the data as the reference instead of the subjective perspective, and with the foundation of automation built for years, we make good use of the "smart decision-making process" to improve the speed and quality of decision making. Our production and marketing are managed based on the data. A manufacturing database has been established to automatically produce a smart decision-making process according to the objective data in each management aspect, thereby helping us surmount the difficulties of industrial trends. Externally, we cast around for strategic partners with complementary cross-domain resources, looking forward to strengthening the comprehensive competitiveness of production and marketing through joint collaboration to optimize business performance. In terms of business management, we will keep escalating the quality, reducing the costs and inventories, training talents, increasing output per capita, and implementing the profit center system. The structures of the functional organizations will be constantly streamlined with the cycle of operations improved. Also, measures to boost profits and eliminate risks will be taken thoroughly to strike a balance between production and marketing, make a breakthrough in revenue, and thereby reach the operational goal of producing higher revenue and post-tax profit.

(II) Important Production and Marketing Policies:

1. Production Strategies: We promote the strategy of micro processing factory outsourcing alliances to distribute the products and production processes, shortening the delivery time to satisfy the production needs of the customers' orders. Meanwhile, we enhance

the application of big data to produce automated decision-making through AI, and set up a safe inventory for the work orders of products of general specifications in order to avoid product material shortage.

(1) Focusing on the manufacturing of connectors, wires and cables, and electronic modules, we make continuous improvements in the R&D, production technologies, yield, and production cycle, with a smart manufacturing system incorporated for big data analysis.
(2) We boost the efficiency and yield of automated production, utilizing a charge-coupled device (CCD) to reduce the defects omitted during manual inspections.
(3) Raising the manufacturing unit's awareness of quality, we have the sampling of product quality control done earlier by the manufacturing unit instead of the quality inspection unit. As we place importance on the independent check, full inspection, and packaging of products, the quality assurance unit concentrates on the audit of processes (service life control of molds, jigs and cutters, verification between first/last articles and drawing sheets, process improvement and follow-up, etc.) and the improvement and follow-up of defect analysis.
(4) The system of management and repair history of the molds, jigs, and machinery for parts and components and the hardware parts is adopted to ensure the quality of key output parts.
(5) We manage the production factories based on a classification system. For example, the level-1 factories have the semi-finished material production capabilities such as injection, punching, cable fusion, and wire drawing, while the level-2 factories have the finished good production capabilities such as assembly and wiring. Meanwhile, we take the centralized production of injection molded parts, punched parts, wires (currently put into centralized production at the Suzhou Factory), auxiliary materials, or other semi-finished products into account, in order to enhance the machine utilization while cutting costs, and streamline the deployment of repair personnel

as well as technical personnel. Addititonally, keeping up with the times, we offer higher pay to retain technical talents.

2. Marketing strategy: Based on the customer demand, peer products, and production management data, sort the order of precision marketing, industry marketing, and regional marketing. Jointly develop and provide supporting solutions with customers, provide one-stop services to add value, and become the main supplier of customers' partners. Develop market trend products with the product orientation, new application markets and channels, and improve customer trust, satisfaction and loyalty. Meanwhile, we engage in the development of parts and components for industrial use, devote more to the development of brand customers, and enhance the deployment in the markets of the U.S. and Latin America.

   (1) With the overseas marketing bases and distributors incorporated, we increase customers of the industry, home appliance, electric vehicle, and new energy abroad.
   (2) In terms of network communication, we focus on the industrial chain of power supply, 5G, server, orbit satellite, AR, VR, and MR.
   (3) Our main product lines for optoelectronics include panels, TVs, monitors, and gaming products.
   (4) We mainly focus on OEM motherboard factories while increasing the number of touch module factories for laptops, and devote ourselves to the development of niche products of fingerprint recognition lenses of touch screen cameras.
   (5) For IOT, we put our emphasis on the software and hardware system integration of industrial Internet system data collector (smart machine box) and sensor modules.

(III) The Company’s Future Development Strategies:

To cope with the global supply chain that gradually forms a regional supply chain, the Company is actively adjusting its global manufacturing and supply chain strategies. In recent years, we have completed the deployment of production bases in Southeast Asia, which not only improves the diversification and flexibility of the supply chain, but also enhances the resilience in the face of market fluctuations.

1. Diversified production bases: we have set up multiple production bases in Vietnam, Thailand, Malaysia and other Southeast Asian countries. These new factories not only help to reduce the dependence on a single production base, but also get closer to Southeast Asia and other international markets, reducing logistics costs and time, and improving the market response speed.
2. Responding to changes in trade policies: as the uncertainty of the international trade environment increases, our Southeast Asian production bases provide more choices and flexibility for businesses. These production bases enable us to respond to trade barriers and policy changes among countries more effectively.
3. Improve supply chain efficiency: with our production bases in Southeast Asia, we can manage inventory more accurately, and shorten the time needed for products to reach end markets. This not only improves the overall efficiency of the supply chain, but also provides customers with more stable and timely services.
4. Enhance regional economic cooperation: our production bases in Southeast Asia help to deepen the cooperation with local governments and business partners, promote regional economic development, and make to our business broader and deeper in the region. In nutshell, apart from the fine-tuning of the factories in East China, West China, South China and Central China, the layout of new production sites in Southeast Asia has not only expanded our manufacturing capacity, but has also added new momentum to our global competition. We will continue to improve the operational efficiency of these production sites to ensure that our supply chain can maintain a high level of resilience and efficiency in the future market challenges.

Future and Sustainable Development Strategies:

1. To ensure sustainable operation, stay abreast of the latest developments to optimize the main business, and enhance corporate value, CviLux has systematically planned for the training and succession of successors. 2023 was the year of succession for the management team of the Group, and the succession will be completed by the following principles. A dual-track system is

adopted to for successors and the incumbents to work parallelly, to train the comprehensive capabilities of the successors in practices for meeting the operational needs of the Company. The Company recruits outstanding talents from all over the world to create a comprehensive succession team. Therefore, it is particularly important to attract and retain high-level professional managers. The internal human capital development includes the recruitment, appointment, reward and punishment system, and educational training of employees; hence, an incentive system for senior managerial officers and teams, including the culture of senior managerial officer attraction and retention as well as the promotion and reward systems of senior managerial officers, should be established. In line with the market trends of the industry, investment in R&D and innovation should be increased, with the product lines for consumer products, industrial application, AIoT hardware, and software integration product series kept robust through continuous smart manufacturing system optimization for product competitiveness enhancement, and with the marketing and customer relationship management incorporated to build up the value chain, so that we can maintain the comprehensive production and marketing competitiveness to generate revenue and profit.

2. The corporate resources and internal control mechanism should be integrated, and robotic process automation (RPA) and artificial intelligence (AI) should be adopted for risk prevention and troubleshooting, to ensure that the audit mechanism and other operations work correctly, the corporate resources are integrated effectively for asset activation, and the corporate goals can thereby be reached. In addition to internal resource integration, we must also have an active control process for decision-making, work division, procedures, and finance, to make sure that we achieve the goals reasonably.
3. Informatization and digitalization should be constantly promoted to change the existing business model. The measures include setting up electronic files through computer informatization to search for, compile, and calculate data for better corporate operational efficiency, and combining the databases and AI based on informatization to provide customized services for customers in a

digital manner.

4. A cross-business model and ecosystem are required. A variety of new business models and ecosystems have been emerging in recent years, including cyber-physical integration, e-commerce, and a shared economy, which is why we must consider how to facilitate growth momentum via a cross-domain alliance. Progressive mergers and acquisitions might be a good way to get involved in the industrial ecosystems of the new generation and further surmount the current obstacles to development, increase the ownership of other enterprises, achieve vertical or horizontal corporate resource integration, and sustain corporate growth.

(IV) Impacts of the External Competitive Environment, Regulatory Environment, and Overall Business Environment:

Electronic devices have become necessities in the lives of modern people. During the operation of such devices, connectors are the bridge between current and signal communication, and are applied to various fields such as information, communication, automobile, industry, green energy, aviation, and medical care. The connector industry once prospered with the rise of the personal computer industry. However, growth momentum was lost as the PC/NB market became mature, and active investment by manufacturers in China has caused fierce competition in the market and price war.

With the higher employee payment cost in China in recent years and with the growing difficulty of management due to the restrictions of China's early environmental regulations on production bases, domestic peer companies are moving their production lines to emerging countries other than China (i.e., ASEAN countries) in a gradual manner. Some peer companies with more funds and better technologies are expanding their deployment of product line automation faster and investing in more automated equipment to reduce operating costs, or even moving some of their product lines of high-end products back to Taiwan. China and the U.S. continue to compete and cooperate, resulting in continuous automation of production lines, and it is necessary to decentralize production bases.

Covid-19 has gradually changed people's lives and the demand for electronic products, software and platform services. ESG is the mission of every corporate citizen. In addition to the trend of reducing carbon emissions with green energy that has fostered the development of EVs, the remote and contactless modes under COVID-19 have constantly stimulated the development of emerging operations such as unmanned factories, automation, and online and offline integration. The development of EVs, HPC, servers, and low earth orbit satellites will thus be driven, and strong growth momentum will be brought to the industry of connector parts. Additionally, peer companies of connectors (wires) in Taiwan have been devoted to aggressive transformation in recent years, investing in relevant application fields to expand the scope of product application and raise the added value of products. In 2024, we expect a significant growth in demand for flexible flat cables and supporting connectors and other components for AI notebooks, as well as high-current connectors and cable components for electric vehicles and peripheral charging equipment. Significant growth of revenue and profits for the Company will be brought about. We will continue to devote ourselves to the innovation of products and services, as well as the improvement of production efficiency and market competitiveness, to ensure that we maintain our leading position in the increasingly fierce market competition.

Sincerely

Best Regards

Chairman and CSO, Steve Yang

Two. Company Profile

I. Establishment Date

(I) Establishment Date: March 16, 1990

(II) Address and Phone Number of the Headquarters, Branch, and Factory:

Headquarters Address: 9F., No. 9, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan
Tel: (02) 2620-1000 (representative number)

Factory Address: 8F., No. 13/15/17/19, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan
Tel: (02) 2620-1000 (representative number)

II. Corporate History

1990	* CviLux Ltd. was established with the business focused on the trade of plastic injection molded products, parts, and components of connectors.
1996	* The Company was renamed as CviLux Corporation, and the Product R&D Department was established. * The Company passed the ISO 9002 international quality certification.
2000	* The Mold Processing and Manufacturing Center was set up at the Changping Factory in Dongguan, China for the R&D, design, and manufacturing of precision molds and jigs and automated machines.
2002	* Through investment, the Company founded CviLux Technology (Suzhou) Co., Ltd. for the manufacturing and sale of connectors and FFC/FPC. * The Company passed the ISO 9001 international quality certification. * The Company became a public company on September 11.
2003	* The Company became a listed company in the emerging stock market on May 22. * Through investment, the Company founded Dongguan Qunhan Electronics Co., Ltd. for the manufacturing and sale of FFC/FPC and wires.
2004	* The Company became a company in the over-the-counter market on March 29. * The first domestic unsecured convertible corporate bonds amounting to NT$ 250 million were issued.

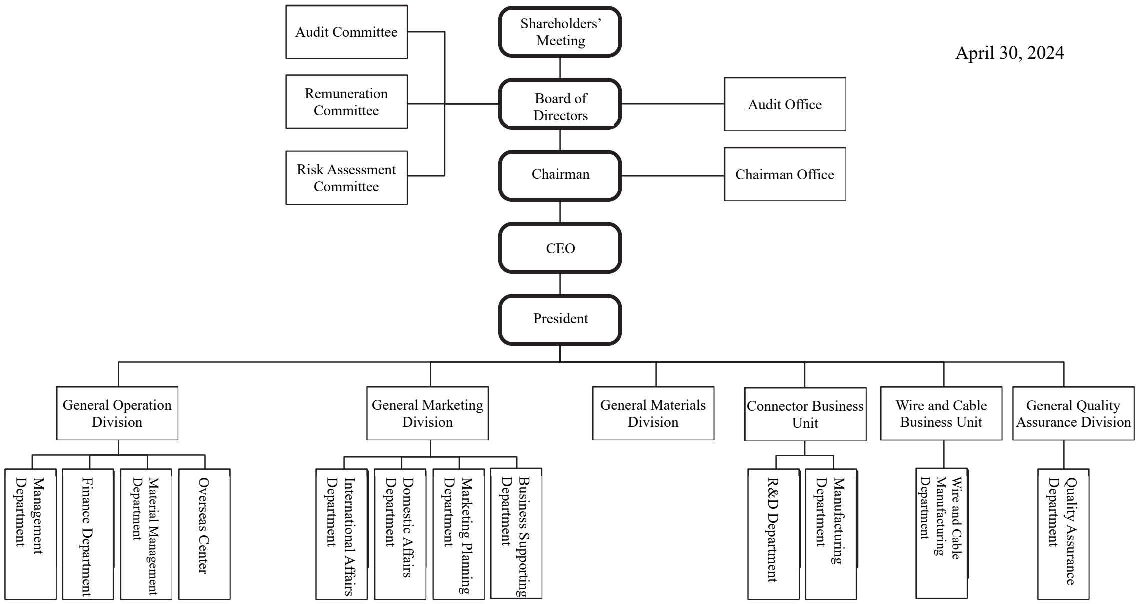
2005	* The Company passed the ISO 14001 international certification.
2006	* The second domestic unsecured convertible corporate bonds amounting to NT$ 250 million were issued.
2007	* The Company was evaluated as an A-level company by the “5th Information Disclosure and Transparency Ranking System” of the Securities and Futures Institute.
2009	* The Company became a company in the stock exchange market on September 29.
2010	* The third domestic unsecured convertible corporate bonds amounting to NT$ 300 million were issued * The original Dongguan Changping CviLux Electronics Factory was transformed into a sole proprietorship and became CviLux Electronics (Dongguan) Co., Ltd. for the manufacturing and sale of connectors, etc.
2011	* Through investment, the Company founded CviLux Technology (Chongqing) Corporation for the manufacturing and sale of FFC/FPC and wires * The Company passed the QC080000 international certification
2012	* Part of the Group passed the ISO14064 and ISO/TS16949 international certifications.
2013	* Through investment, the Company founded CviLux Technology (Shenzhen) Corporation for the manufacturing and sale of connectors, etc. * The Finished Product BU was established for the development and sale of peripheral accessories * The Company received permission for Apple hard drives and MFi certification
2014	* Through investment, the Company founded CviCloud (SZ) Limited, CviCloud (HK) Limited and CviCloud Limited (Taiwan) for software and hardware integration * Part of the Group passed the OHSAS18001 international certification
2015	* Through investment, the Company founded Anhui CviLux Technology Co., Ltd. for the manufacturing and sale of connectors and FFC/FPC * Through investment, the Company founded CviLux Lao Co., Ltd. to satisfy the demand for supply chain localization of customers in ASEAN countries.
2016	* Through investment, the Company founded the CviMall

	International Corporation for the development and sale of cosmetic products. * The product, Type C Cable, was certified by the USB-IF * Through investment, the Company founded Shanghai Han Duo Trading Co., Ltd. for the development and sale of cosmetic products
2017	* Through investment, the Company founded CviLux North America in the U.S. * Disney collaborated with the Company for our wires
2018	* CviLux Korea Corporation and representative offices such as CviLux Xiamen and CviLux Sdn Bhd were established to provide services for local customers * The Lao Factory was built
2021	* The representative offices, CviLux Brazil and CviLux Japan, were established. * CviLux Technology (Shenzhen) Corporation and Shaanxi KOAYoung Investment (Group) Co., Ltd. jointly founded Shenzhen Recon Health Care Cloud Tech. Co., Ltd. * CviLux merged with Hanjun Investment Co. Ltd. through a short-form merger. * The smart factory program was launched. * The medical certificate 13458 was obtained.
2022	* The introduction of MES was completed. * The Taipei HF Center was established.
2023	*Establishment of the Vietnam representative office
2024	*ESG Sustainability Plan *Establishment of the Vietnam factory

Three. Corporate Governance Report

I. Organizational System

(I) Organizational Structure:



(II) Responsibilities of the Main Units:

Main Unit	Main Responsibilities
Audit Office	* Internal audit, inspection and evaluation of operating procedures, and the improvements and suggestions thereof.
Chairman Office	* Operations related to public relations with external media (i.e., spokesperson, investor relations, etc.), and promotion of CSR affairs. * Stock affairs, the Company's announcements to outside parties, and matters related to the directors. * Handling of legal affairs such as patent or lawsuit-related matters.
General Operation Division	* HR development, talent recruitment and employment, remuneration and rewards, and employee relations. * General affairs, occupational health and safety, etc. * Planning and management of accounting and financial affairs. * Business planning and analysis reporting, internal application system maintenance, and information security control. * Implementation of duties of expatriate executives.
General Marketing Division	* Product sales, responses to customers' questions, and communication with customers.
General Quality Assurance Division	* Implementation and maintenance of quality-related systems, and standardized operations.
General Materials Division	* Procurement of materials for production, and adjustments to procurement strategies according to conditions in the industry. * Development, implementation, and control of the plans and schedules

Main Unit	Main Responsibilities
	regarding material needs, production, and procurement.
R&D Department	* Development, design, testing, patent application, and application for safety certification or product certification, etc. of products.
Connector Business Unit - Manufacturing Department	* Manufacturing process planning, productivity enhancement, determination of work hours and costs, and improvements to different operations (connectors). * Analysis of abnormal process quality, and development and implementation of improvement measures thereof (connectors).
Wire and Cable Business Unit - Wire and Cable Manufacturing Department	* Development, design, and testing of wire and cable products featuring high speed and high frequency. * Analysis of abnormal process quality, and development and implementation of improvement measures thereof (wires and cables).

II. Information Concerning the Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Department and Branch Managers

(I) Information on Directors and Supervisors:

1. Information on Directors and Supervisors:

Note: As the Company has set up the Audit Committee, there are no supervisors.

April 22, 2024 (last day for share transfer registration); unit: share

Title (Note 1)	Nationality or Country of Registration	Name	Gender and Age (Note 2)	Date Elected (appointed)	Term	Date First Elected (Note 3)	Shares Held at the Time of Election		Shares Currently Held		Shares Currently Held by Spouse or Minor Children		Shares Held in the Names of Others		Education and experience (Note 4)	Concurrent Posts in the Company or Other Companies	Other Managers, Directors, or Supervisors in a Spousal Relationship or Within the Second Degree of Kinship			Note (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	R.O.C.	YANGTEK CORPORATION	N/A	08.05.2021	3	11.25.2000	4,643,149	5.70	6,883,000	8.40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	None
	R.O.C.	Rep.: Steve Yang	Male 61-70 Years Old				N/A	N/A	112,565	0.14	0	0	0	0	Department of International Trade, Hsing Wu University Section Manager of Import Section, SAN AIE ELETRONIC CO., LTD. Sales Section Manager, Molex Taiwan Ltd. President, Long Jie Co., Ltd.	Chairman and CSO, CviLux Corporation Chairman, YANGTEK CORPORATION Chairman, CviLux Electronics (Dongguan) Co., Ltd. Chairman, Dongguan Qunhan Electronics Co., Ltd. Chairman, CviLux Technology (Suzhou) Co., Ltd. Vice Chairman, CviLux Technology (Chongqing) Corporation Director, CviLux Technology (Shenzhen) Corporation Chairman, CviCloud Corporation Director, CviLux Lao Co., Ltd. Chairman, CviMall International Corporation Director, CviLux Opro9 EUROPE B.V. Director, CviLux USA Corporation	Director	Lawrence Yang	Father and Son	Remarks 1.
Director	R.O.C.	Chuan Kai Investment Co., Ltd. Co., Ltd.	N/A	August 5, 2021	3	November 25, 2000	1,969,091	2.42	1,969,091	2.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	None

Title (Note 1)	Nationality or Country of Registration	Name	Gender and Age (Note 2)	Date Elected (appointed)	Term	Date First Elected (Note 3)	Shares Held at the Time of Election		Shares Currently Held		Shares Currently Held by Spouse or Minor Children		Shares Held in the Names of Others		Education and experience (Note 4)	Concurrent Posts in the Company or Other Companies	Other Managers, Directors, or Supervisors in a Spousal Relationship or Within the Second Degree of Kinship			Note (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
	R.O.C.	Rep.: Glen Chu	Male 61-70 Years Old				N/A	N/A	1,956,719	2.39	364,817	0.45	0	0	Department of Business Administration, Tunghai University Sales Representative, Long Jie Co., Ltd.	President, CviLux Corporation and President, Wire and Cable Business Unit Director, Chuan Kai Investment Co., Ltd. Director, CviLux Electronics (Dongguan) Co., Ltd. Director, Dongguan Qunhan Electronics Co., Ltd. President, CviLux Technology (Suzhou) Co., Ltd. Chairman, CviLux Technology (Chongqing) Corporation Director, CviLux Technology (Shenzhen) Corporation Manager, Anhui CviLux Technology Co., Ltd.	None	None	None	None
Director	R.O.C.	Alex Huang	Male 51-60 Years Old	August 5, 2021	3	July 31, 2002	631,403	0.78	640,028	0.78	89,275	0.11	0	0	Section of Design, Department of Mechanical Engineering, Lee-Ming Institute of Technology Product Engineer, Long Jie Co., Ltd. R&D Officer, Inalways Corporation	President, Connector Business Unit, CviLux Corporation Director, CviLux Electronics (Dongguan) Co., Ltd. Director, Dongguan Qunhan Electronics Co., Ltd. Director, CviLux Technology (Suzhou) Co., Ltd. Director, CviLux Technology (Chongqing) Corporation	None	None	None	Remarks 1.
Director	R.O.C.	Lawrence Yang	Male 41-50 Years Old	August 5, 2021	3	June 19, 2009	488,301	0.60	706,644	0.86	0	0	0	0	Department of International Trade, Ming Chuan University Sales Representative, Mitsutech International Corporation Sales Representative, Sharp Electronic Components (Taiwan) Corp.	CEO, CviLux Corporation and President, Electronic Module Business Unit Supervisor, Dongguan Qunhan Electronics Co., Ltd. Chairman, CviLux Technology (Shenzhen) Corporation Director, CviCloud (SZ) Limited Director, YANG PLUS CORPORATION Executive Director, Anhui CviLux Technology Co., Ltd.	Chairman	Steve Yang	Father and Son	None
Independent Director	R.O.C.	Yinchun Chuang	Male 61-70 Years Old	August 5, 2021	3	June 9, 2015	0	0	0	0	0	0	0	0	Graduate Institute of Management Sciences, Tamkang University Department of Computer Science and Information Engineering, Tamkang University President, Siemens/UGS PLM Software President, PeopleSoft, Inc. President, JDEdwards Vice President, Northeast Asia Technology Department, SAP	Public Welfare Director of Da Ai TV Station	None	None	None	None
Independent Director	R.O.C.	Shuling Lin	Female 51-60 Years Old	August 5, 2021	3	June 19, 2009	0	0	0	0	0	0	0	0	Institute of Accounting, National Chengchi University CPA, Honesty CPA Firm	CPA, Honesty CPA Firm	None	None	None	Remarks 2.

Title (Note 1)	Nationality or Country of Registration	Name	Gender and Age (Note 2)	Date Elected (appointed)	Term	Date First Elected (Note 3)	Shares Held at the Time of Election		Shares Currently Held		Shares Currently Held by Spouse or Minor Children		Shares Held in the Names of Others		Education and experience (Note 4)	Concurrent Posts in the Company or Other Companies	Other Managers, Directors, or Supervisors in a Spousal Relationship or Within the Second Degree of Kinship			Note (Note 5)
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	R.O.C.	Alan Yu	Male 61-70 Years Old	August 5, 2021	3	June 19, 2020	0	0	0	0	0	0	0	0	Master of Computer Science, University of California, Santa Clara Bachelor, Forester Production Section, Department of Forestry, National Chung Hsing University CEO, Asia Region, Cyber Mart International Holdings Executive Director of Beijing ZZNode Chief Technology Officer, APAC, HP President, Nanjing Dongda Broadband Communication General Manager, Business Department, CISCO	None	None	None	None	None
Independent Director	R.O.C.	Wei-Bo Lin	Male 41-50 Years Old	June 20, 2023	1	June 26, 2018	0	0	0	0	0	0	0	0	Master of Law, Master's Program for Law, Soochow University Master, Institute of Electrical Engineering, Chang Gung University Bachelor, Department of Electrical Engineering, Chang Gung University Attorney-at-Law, Lixiang Attorneys-at-Law Patent Engineer, Micro-Star International Co., Ltd. Adjunct Lecturer, Department of Information Management, Chang Gung University	Attorney-at-Law, Six Similes Attorneys-at-Law Professional and Technician at Part-Time Assistant Professor-level, Department of Information Management, Chang Gung University	None	None	None	Description 1.

Description 1: In light of Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," Where the chairman of the board of directors and the president or person of an equivalent post of a TWSE listed company are the same person, spouses or relations within the first degree of kinship, the seats of independent directors shall be added. Independent Director, Alex Huang resigned on June 19, 2023, and Independent Director Wei-Bo Lin took office on June 20, 2023.

Description 2: Ms. Shuling Lin was previously one of the directors of the Company during June 19, 2009 to June 8, 2015. Since August 5, 2021, she has become an independent director of the Company.

Note 1: For an institutional shareholder, the name of institutional shareholder and the representative shall be listed separately (the name of the institutional shareholder shall be given for the representative of such institutional shareholder), and the shareholder shall be included in Table 1 below.

Note 2: The actual age shall be indicated; it may be shown in age intervals, i.e., 41-50 years old or 51-60 years old.

Note 3: The time of becoming the Company's director or supervisor for the first time shall be provided. When there is any termination of appointment, the information shall be noted.

Note 4: The experience related to the current position shall be indicated. If the person was an employee of a CPA firm or an affiliate during the aforementioned period, the title and responsibilities thereof shall be stated.

Note 5: If the Chairman and President, or any other equivalents (senior management), are the same person, or spouse or relative within the first degree of kinship with each other, the information of the reason, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors, and having a majority of directors that do not work as employees or managers of the Company, etc.) shall be provided.

2-1. Major Shareholders of Institutional Shareholders: (Table 1)

April 22, 2024

Name of Institutional Shareholder (Note 1)	Major Shareholders of Institutional Shareholder (Note 2)			
YANGTEK CORPORATION	Steve Yang	10.84%	I-Chun Yang	11.76%
	Lawrence Yang	22.34%	I-Yen Yang	11.8%
	Luxury Flourish International Ltd.	9.2%	I-Te Yang	10.7%
	I-Hsuan Yang	11.93%		
	I-Wei Yang	11.43%		
Chuan Kai Investment Co., Ltd.	Glen Chu	13.10%	Peng-Wen Chu	34.63%
	Pei-Chieh Lee	17.10%		
	Chun-Hsuan Chu	35.17%		

Note 1: If any of the major shareholders listed in Table 1 are an institution, the name of the institution must be provided.
Note 2: Name the major shareholders (the top 10 owners) of the institutional shareholders and their shareholding percentage.
Note 3: Where the institutional shareholder is not a company, the names of the shareholders and their shareholding percentage mentioned above refer to the names of the investors or contributors (please refer to the announcement and inquiry results of the Judicial Yuan if needed) and the percentage of their investment or contribution. If a contributor has passed away, the contributor shall be specified as "deceased".

3. Professional Qualifications of Directors and Supervisors, and Information on the Independence of Independent Directors:

Note: As the Company has set up the Audit Committee, there are no supervisors.

(1) None of the circumstances under Article 30 of the Company Act are applicable to Board members;

Criteria / Name	Professional Qualifications and Experience	Compliance With Independence Requirements	Number of Other Public Companies Where the Person Concurrently Acts as an Independent Director
YANGTEK CORPORATION Rep.: Steve Yang	The person possesses good leadership skills, abilities of operational judgment and business management, knowledge of the industry, and an understanding of international markets.	1. The person is a director of the Company or any of its affiliates. 2. The person holds shares of the Company.	0
Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	The person possesses good leadership skills, abilities of operational judgment and business management, knowledge of the industry, and an understanding of international markets.	1. The person is a director of the Company or any of its affiliates. 2. The person holds shares of the Company.	0
Alex Huang	The person possesses good leadership skills, abilities of operational judgment and business management, and knowledge of product R&D.	1. The person is a director of the Company or any of its affiliates. 2. The person holds shares of the Company.	0
Lawrence Yang	The person possesses good leadership skills, abilities of operational judgment and business management, knowledge of the industry, and an understanding of international markets.	1. The person is a director of the Company or any of its affiliates. 2. The person holds shares of the Company.	0
Yinchun Chuang	1. The person possesses IT knowledge, ability of software operation management, and an understanding of international markets. 2. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of	0

Criteria / Name	Professional Qualifications and Experience	Compliance With Independence Requirements	Number of Other Public Companies Where the Person Concurrently Acts as an Independent Director
		any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	
Shuling Lin	1. The person possesses abilities of finance, accounting, and financial affairs, and has the professional qualifications of a CPA and a patent agent. 2. The person is currently a CPA of Honesty CPA Firm. 3. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	0
Alan Yu	1. The person possesses abilities of operational judgment and business management, and an understanding of international markets. 2. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company.	0

Criteria / Name	Professional Qualifications and Experience	Compliance With Independence Requirements	Number of Other Public Companies Where the Person Concurrently Acts as an Independent Director
		4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	
Wei-Bo Lin	1. His expertise is intellectual property incidents, insurance incidents, and labor incidents, and may provide instructions to the Company's legal affairs. 2. Currently serving attorney-at-Law, Six Similes Attorneys-at-Law 3. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	0

4. Diversity and Independence of the Board of Directors:

4-1-1. Diversity of the Board of Directors:

To enhance corporate governance, it is set forth in the Company's "Corporate Governance Best Practice Principles" that diversity shall be taken into account for the formation of the Board of Directors. That is, gender, age, nationality, and culture, etc. shall not be included in the criteria. All members of the Board shall possess the knowledge, skills, and competence necessary to perform their duties. To achieve the goal of ideal corporate governance, the Board of Directors shall, on the whole, possess the following abilities:

1. Ability to make operational judgments.

2. Ability to perform accounting and financial analysis.

3. Ability to perform business management.

4. Ability to handle crises.

5. Knowledge of industry.

6. Understanding of international markets.

7. Ability to lead.

8. Ability to make decisions.

4-1-2. The Board members of CviLux have complete and diverse experience:

The Chairman of the Board of Directors, Director Steve Yang, is the founder of the Company. As a pillar of CviLux, he has an international perspective and sticks to the philosophy of corporate sustainability, placing more emphasis on the interests of the Company than on his personal interests. The man has much to do with CviLux's ability to continually make new business performance records.

The Board member, Director Glen Chu, is a senior employee that experienced the early stages of investing in overseas factory establishment with the Company. Undoubtedly, he has made significant contribution to the scale and benefits of CviLux's manufacturing and production.

The Board member, Director Alex Huang, is the leader of the Company's R&D Center. With his expertise and professionalism, he leads the R&D Center to research fully into the technologies and molds, develop new products, and thereby attract more customers in the industry.

The Board member, Director Lawrence Yang, is the highest representative of our marketing operations. Born in the 1980s, he has a special mindset and leadership style that bring vitality to the Company. He plays a leading role in the sales distribution planning, customer development, and customer relationship management; his leadership is even shown in the management of factory affairs and establishment of a business model.

The Board member, Director Yinchun Chuang, was formerly a vice president of technology in a multinational software company. With such experience, he can give us practical suggestions on corporate information security and software development.

To pursue an international mindset and the diversity of members for the operation of the Board of Directors, the female member, Director Shuling Lin, joined the Board in 2021. As a CPA, she offers CviLux professional suggestions concerning financial and tax planning, financial risks, and utilization of funds. In addition, Director Alan Yu, a former professional managerial officer in a well-known network technology company in Silicon Valley, also joined the Board. He provides advice and instruction on product development, transformation, and even the operational practices of the subsidiary in the U.S.

The operation of the Board of Directors of CviLux pursues the concept of international thinking and diversified membership. We have the female director, Shuling Lin, joined in 2021. Director Lin is a licensed CPA, and able to give CviLux professional advice regarding financial and tax planning, financial risks, and utilization of capital.

In 2021, Mr. Alan Yu, a former professional manager of a well-known network technology company in Silicon Valley, joined as a director. Director Yu gives advice and guidance in the product development and transformation as well as the practical operation of the US subsidiary.

In 2023, the lawyer from Six Similes Attorneys-at-Law, Wei-Bo Lin joined as a director; his expertise is intellectual property incidents, insurance incidents, and labor incidents, and may provide instructions to the Company's legal affairs.

4-1-3. Specific management objectives of the diversity policy:
To ensure a sound Board structure, the diversity objectives of the Board of Directors are set to one female director at minimum and a percentage of more than 50% for independent directors. The Company had female directors joined in 2021 and one more independent directors joined in 2023; the independent directors are accounting for 57.14%. Both targets are met.

4-1-4. Implementation status of the diversity policy for the Board of Directors:

Title	Chairman	Director			Independent Director			
Name	Steve Yang	Lawrence Yang	Glen Chu	Alex Huang	Shuling Lin	Yinchun Chuang	Alan Yu	Wei-Bo Lin
Gender	Male	Male	Male	Male	Female	Male	Male	Male
Age	71-75	41-45	61-65	56-60	56-60	66-70	61-65	46-50
Concurrently acting as an employee	V	V	V	V				
Service length of independent directors					3	9	3	1
Professional background								
Industrial experience	V	V	V	V		V	V	
Marketing	V	V	V			V	V	
Finance					V			V
Professional Knowledge and Skills								
Ability to make operational judgments	V	V	V	V	V	V	V	V
Ability to perform business management	V	V	V	V	V	V	V	V
Ability to handle crises.	V	V	V	V	V	V	V	V
Understanding of international markets	V	V	V	V	V	V	V	V
Ability to lead and make decisions	V	V	V	V	V	V	V	V

4-2-1. Independence of the Board of Directors:

None of the circumstances under Article 30 of the Company Act are applicable to Board members. Save that Director Steve Yang and Director Lawrence Yang have a father-and-son relationship (2 seats). None of the circumstances specified in Article 26-3 Paragraph 3 (a spousal relationship or a familial relationship within the second degree of kinship exists among more than half of the directors) and Paragraph 4 (no spousal relationship or familial relationship within the second degree of kinship shall exist between supervisors or between a supervisor and a director) of the Securities and Exchange Act occur to the rest 5 seats.

4-2-2. All the independent directors meet the requirements of the relevant regulations established by the Financial Supervisory Commission. The independence is described as follows:

Name	Whether the person and his/her spouse or relatives within the second degree of kinship are directors, supervisors, or employees of the Company or any of its affiliates	The number and percentage of the Company's shares held by the person and his/her spouse or relatives within the second degree of kinship (or in the names of others)	Whether the person is a director, supervisor, or employee of any companies in a special relationship with the Company	The compensation and amount received for providing the Company or affiliates with commercial, legal, financial, accounting, or related services in the most recent two years Amount
Shuling Lin	No	None	No	None
Yinchun Chuang	No	None	No	None
Alan Yu	No	None	No	None
Wei-Bo Lin	No	None	No	None

(II) Information on Presidents, Vice Presidents, Assistant Vice Presidents, and Department and Branch Managers:

April 22, 2024 (last day for share transfer registration); unit: share

Job title (Note 1)	Nationality	Name	Gender	Date Elected (appointed)	Held by the Shareholder		Shares Held by Spouse or Minor Children		Shares Held in the Names of Others		Education and Experience (Note 2)	Positions held concurrently in any other company	Managerial Official in a Spousal Relationship or Within the Second Degree of Kinship			Note (Note 3)
					Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Title	Name	Relationship	
CEO of the Group	R.O.C.	Lawrence Yang	Male	2017.01.01	706,644	0.86	0	0	0	0	Department of International Trade, Ming Chuan University Sales Representative, Mitsutech International Corporation Sales Representative, Sharp Electronic Components (Taiwan) Corp.	Supervisor, Dongguan Qunhan Electronics Co., Ltd. Chairman, CviLux Technology (Shenzhen) Corporation Director, CviCloud (SZ) Limited Director, YANG PLUS CORPORATION Executive Director, Anhui CviLux Technology Co., Ltd.	None	None	None	None
President of the Group, and President of Wire and Cable Business Unit	R.O.C.	Glen Chu	Male	2010.05.01	1,956,719	2.39	364,817	0.45	0	0	Department of Business Administration, Tunghai University Sales Representative, Long Jie Co., Ltd.	Responsible Person and Director, Chuan Kai Investment Co., Ltd. Director, CviLux Electronics (Dongguan) Co., Ltd. Director, Dongguan Qunhan Electronics Co., Ltd. President, CviLux Technology (Suzhou) Co., Ltd. Chairman, CviLux Technology (Chongqing) Corporation Director, CviLux Technology (Shenzhen) Corporation Manager, Anhui CviLux Technology Co., Ltd.	None	None	None	None
President of Connector Business Unit	R.O.C.	Alex Huang	Male	2003.01.01	640,028	0.78	89,275	0.11	0	0	Section of Design, Department of Mechanical Engineering, Lee-Ming Institute of Technology Product Engineer, Long Jie Co., Ltd. R&D Officer, Inalways Corporation	Director, CviLux Electronics (Dongguan) Co., Ltd. Director, Dongguan Qunhan Electronics Co., Ltd. Director, CviLux Technology (Suzhou) Co., Ltd. Director, CviLux Technology (Chongqing) Corporation	None	None	None	None
Assistant Vice President	R.O.C.	Johnson Hsu	Male	2008.08.01	26,596	0.03	0	0	0	0	EMBA, National Chengchi University Assistant Manager, Chicony Electronics Co., Ltd.	Representative of Institutional Supervisor, CviLux Electronics (Dongguan) Co., Ltd. Representative of Institutional Supervisor, CviLux Technology (Chongqing) Corporation Representative of Institutional Supervisor, Anhui CviLux Technology Co., Ltd. Representative of Institutional Supervisor, CviLux Technology (Shenzhen) Corporation	None	None	None	None
Assistant Vice President	R.O.C.	Tsai, Gen-Sheng	Male	2022.08.01	46,077	0.06	0	0	0	0	Lunghwa Junior College of Engineering R&D Manager, CviLux	None	None	None	None	None

Job title (Note 1)	Nationality	Name	Gender	Date Elected (appointed)	Held by the Shareholder		Shares Held by Spouse or Minor Children		Shares Held in the Names of Others		Education and Experience (Note 2)	Positions held concurrently in any other company	Managerial Official in a Spousal Relationship or Within the Second Degree of Kinship			Note (Note 3)
					Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)			Title	Name	Relationship	
											Dong Jin Lung Industry					
Chief Financial Officer	R.O.C.	Weiling Yuan	Female	2013.07.01	13,187	0.02	0	0	0	0	EMBA, Soochow University Senior Auditor, Deloitte Taiwan	Representative of Institutional Supervisor, CviCloud Corporation Representative of Institutional Supervisor, CviMall International Corporation Representative of Institutional Supervisor, Shanghai Han Duo Trading Co., Ltd.	None	None	None	None
Chief Corporate Governance Officer	R.O.C.	Maggie Wang	Female	2020.03.01	5,755	0.01	0	0	0	0	Department of Bank and Insurance, Chihlee University of Technology Capital Securities	None	None	None	None	None

Note 1: This shall include the information on presidents, vice presidents, assistant vice presidents, and department and branch managers. The information on any other person in a position equivalent to president, vice president, or assistant vice president shall also be disclosed regardless of the title.

Note 2: The experience related to the current position shall be indicated. If the person was an employee of a CPA firm or an affiliate during the aforementioned period, the title and responsibilities thereof shall be stated.

Note 3: If the Chairman and President, or any other equivalents (senior management), are the same person, or spouse or relative within the first degree of kinship with each other, the information about the reason, reasonableness, necessity, and corresponding measures (e.g., increasing the number of independent directors, and having a majority of directors that do not work as employees or managers of the Company, etc.) shall be disclosed.

III. Remuneration Paid to Directors, Presidents, and Vice Presidents in the Most Recent Year

(I) Remuneration Paid to the Directors, Presidents, and Vice Presidents of the Company in the Most Recent Year (disclosure of names and remuneration payment methods)

Remuneration to Directors and Independent Directors

December 31, 2023; Unit: NT$ thousand

Title	Name	Remuneration to Directors									
		Compensation (A) (Note 2)		Pension (B)		Director Remuneration (C) (Note 3)		Business Expenses (D) (Note 4)		Sum of A, B, C and D, and the Percentage of Net Income After Tax (Note 10)	
		The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements (Note 7)	The Company	All Companies Included in the Financial Statements
Director	YANGTEK CORPORATION Rep.: Steve Yang	-	-	-	-	3,552	3,552	48	48	3,600 1.65%	3,600 1.65%
Director	Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	-	-	-	-	1,479	1,479	48	48	1,527 0.70%	1,527 0.70%
Director	Alex Huang (1/1~6/19)	-	-	-	-	389	389	18	18	407 0.19%	407 0.19%
Director	Lawrence Yang	-	-	-	-	1,575	1,575	48	48	1,623 0.74%	1,623 0.74%
Independent Director	Shuling Lin	768	768	-	-	-	-	126	126	894 0.41%	894 0.41%
Independent Director	Yinchun Chuang	636	636	-	-	-	-	126	126	762 0.35%	762 0.35%
Independent Director	Alan Yu	636	636	-	-	-	-	126	126	762 0.35%	762 0.35%
Independent Director	Wei-Bo Lin (6/20~12/31)	274	274	-	-	-	-	60	60	334 0.15%	334 0.15%

Title	Title	Remuneration in the Capacity as Employees								Sum of A, B, C, D, E, F and G, and the Percentage of Net Income After Tax (Note 10) Salary, Bonus, and Special Disbursement (E) (Note 5)		Remuneration Received From Investees Other Than Subsidiaries (Note 11) Pension (F) The Company
		Salary, Bonus, and Special Disbursement (E) (Note 5)		Pension (F)		Employee Remuneration (G) (Note 6)						
		The Company	All Companies Included in the Financial Statements (Note 7)	The Company	The Company	All Companies Included in the Financial Statements (Note 7)		The Company		The Company	All Companies Included in the Financial Statements (Note 7)	
Director	YANGTEK CORPORATION Rep.: Steve Yang	6,110	6,110	-	-	1,255	-	1,255	-	10,965 5.03%	10,965 5.03%	None
	Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	4,700	4,700	108	108	851	-	851	-	7,186 3.30%	7,186 3.30%	None
	Alex Huang (1/1~6/19)	2,308	2,308	51	51	893	-	893	-	3,659 1.68%	3,659 1.68%	None
	Lawrence Yang	3,678	3,678	108	108	994	-	994	-	6,403 2.94%	6,403 2.94%	None
	Shuling Lin	-	-	-	-	-	-	-	-	894 0.41%	894 0.41%	None
	Yinchun Chuang	-	-	-	-	-	-	-	-	762 0.35%	762 0.35%	None
	Alan Yu	-	-	-	-	-	-	-	-	762 0.35%	762 0.35%	None
	Wei-Bo Lin (6/20~12/31)	-	-	-	-	-	-	-	-	334 0.15%	334 0.15%	None

Description 1: The figures are the amount of director remuneration in the most recent year resolved by the Board of Directors before the shareholders' meeting for the proposal of earnings distribution.

Description 2: The figures are the amount of employee bonuses in the most recent year resolved by the Board of Directors before the shareholders' meeting for the proposal of earnings distribution. When it is impossible to forecast the same, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year.

Description 3: The net income after tax in 2023 was NT$ 217,909thousand.

Description 4: The pension is the actual amount paid in the most recent year.

Description 5: Director Alex Huang resigned as director on June 19, 2023, and Director, Wei-Bo Lin was elected as the independent director on June 20, 2023.

Breakdown of Remuneration

Breakdown of Remuneration to the Company's Directors	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D)	
	The Company (Note 8)	The Company (Note 8)	The Company (Note 8)	The Company (Note 8)
Less than NT$ 1,000,000	Shuling Lin, Yinchun Chuang, Alan Yu, Wei-Bo Lin, Alex Huang	Shuling Lin, Yinchun Chuang, Alan Yu, Wei-Bo Lin, Alex Huang	Shuling Lin, Yinchun Chuang, Alan Yu, Wei-Bo Lin	Shuling Lin, Yinchun Chuang, Alan Yu, Wei-Bo Lin
NT$ 1,000,000 (inclusive) - NT$ 2,000,000 (not inclusive)	Lawrence Yang, Representative of Chuan Kai Investment Co., Ltd.: Glen Chu	Lawrence Yang, Representative of Chuan Kai Investment Co., Ltd.: Glen Chu	None	None
NT$ 2,000,000 (inclusive) - NT$ 3,500,000 (not inclusive)	None	None	None	None
NT$ 3,500,000 (inclusive) - NT$ 5,000,000 (not inclusive)	Representative of YANGTEK CORPORATION: Steve Yang	Representative of YANGTEK CORPORATION: Steve Yang	Alex Huang	Alex Huang
NT$ 5,000,000 (inclusive) - NT$ 10,000,000 (not inclusive)	None	None	Lawrence Yang, Representative of Chuan Kai Investment Co., Ltd.: Glen Chu	Lawrence Yang, Representative of Chuan Kai Investment Co., Ltd.: Glen Chu
NT$ 10,000,000 (inclusive) - NT$ 15,000,000 (not inclusive)	None	None	Representative of YANGTEK CORPORATION: Steve Yang	Representative of YANGTEK CORPORATION: Steve Yang
NT$ 15,000,000 (inclusive) - NT$ 30,000,000 (not inclusive)	None	None	None	None
NT$ 30,000,000 (inclusive) - NT$ 50,000,000 (not inclusive)	None	None	None	None
NT$ 50,000,000 (inclusive) - NT$ 100,000,000 (not inclusive)	None	None	None	None
More than NT$ 100,000,000	None	None	None	None
Total	8 Persons	8 Persons	8 Persons	8 Persons

Note 1: The names of directors shall be stated separately (the name and the representative of an institutional shareholder shall be listed separately) with the identity of directors and independent directors specified, and each amount paid shall be compiled and disclosed.

Note 2: This refers to the compensation to directors (including the salary, duty allowance, severance pay, bonuses, incentives, etc. for directors) in the most recent year.

Note 3: The figures are the amount of director remuneration distributed based on the resolution of the Board in the most recent year.

Note 4: This refers to the business expenses for directors (including travel allowance, special disbursement, various allowances, accommodation, company car, and physical offers, etc.) in the most recent year. When there are expenses for housing, car or other transportation tools, or specialized personal expense, the nature and cost of the provided asset, the rent calculated according to the actual or fair market price, gasoline fee, and other payments shall be disclosed. In addition, when a driver is involved, the compensation paid to said driver by the Company shall be noted but excluded from the remuneration.

Note 5: This refers to the salary, duty allowance, severance pay, bonuses, incentives, travel allowance, special disbursement, various allowances, accommodation, company car, and physical offers, etc. received by the directors who are also employed in the capacity as an employee (concurrently serving as a president, vice president, other managerial officer, and employee) in the most recent year. When there are expenses for housing, car or other transportation tools, or specialized personal expense, the nature and cost of the provided asset, the rent calculated according to the actual or fair market price, gasoline fee, and other payments shall be disclosed. In addition, when a driver is involved, the compensation paid to said driver by the Company shall be noted but excluded from the remuneration. Moreover, the payroll expenses listed in the IFRS 2 Share-based Payment, including employee stock options, restricted stock awards, and shares from follow-on offerings, shall be covered in the remuneration as well.

Note 6: This refers to the employee remuneration (in shares and in cash) received by directors who are also employed in the capacity as an employee (concurrently serving as a president, vice president, other managerial officer, and employee) in the most recent year, and the amount of employee remuneration distributed based on the resolution of the Board in the most recent year shall be disclosed. If it is impossible to forecast the same, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year.

Note 7: The total amount of each remuneration item to the Company's directors paid by the companies in the consolidated statements (including the Company) shall be disclosed.

Note 8: This refers to the sum of remuneration items paid by the Company to each director, and the names of directors shall be disclosed in the ranges of remuneration they fall into.

Note 9: The sum of remuneration items paid by the companies in the consolidated statements (including the Company) to the Company's directors shall be disclosed, with the names of directors provided in the ranges of remuneration they fall into.

Note 10: The net income after tax refers to the net income after tax in the separate or individual financial statements for the most recent year.

Note 11: a. The amount of remuneration received by the directors from investees other than subsidiaries or from the parent company shall be specified in this column (fill in "none" when there is no such amount).

b. The remuneration received by the Company's directors from investees other than subsidiaries or from the parent company, if any, shall be included in Column I of the breakdown of remuneration, with the column renamed to "Parent Company and All Investees".

c. The remuneration refers to the compensation, remuneration (including that for employees, directors, and supervisors), and payments for business expenses received by the Company's directors as directors, supervisors, or managerial officers of the investees other than subsidiaries or of the parent company.

* The remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

Remuneration to Presidents and Vice Presidents

December 31, 2023; Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonus, and Special Disbursement (C) (Note 3)		Employee Remuneration (D) (Note 4)				Sum of A, B, C, and D, and the Percentage of Net Income After Tax (%) (Note 8)		Remuneration From Investees Other Than Subsidiaries, or From the Parent Company (Note 9)
		The Company	All Companies Included in the Financial Statements (Note 5)	The Company	All Companies Included in the Financial Statements (Note 5)	The Company	All Companies Included in the Financial Statements (Note 5)	The Company		All Companies Included in the Financial Statements (Note 5)		The Company	All Companies Included in the Financial Statements	
								Amount Paid Amount	Amount Paid Amount	Amount Paid Amount	Amount Paid Amount			
Chairman	Steve Yang	4,666	4,666	-	-	1,444	1,444	1,255	-	1,255	-	7,365 3.38%	7,365 3.38%	None
President	Glen Chu	3,702	3,702	108	108	998	998	851	-	851	-	5,659 2.60%	5,659 2.60%	None
President	Alex Huang (1/1~12/31)	3,131	3,131	108	108	839	839	893	-	893	-	4,971 2.28%	4,971 2.28%	None
CEO	Lawrence Yang	2,920	2,920	108	108	758	758	994	-	994	-	4,780 2.19%	4,780 2.19%	None

Description 1: The figures are the amount of employee bonuses distributed to the presidents and vice presidents in the most recent year resolved by the Board of Directors before the shareholders' meeting for the proposal of earnings distribution. When it is impossible to forecast the same, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year.

Description 2: The net income after tax in 2023 was NT$ 217,909 thousand.

Description 3: The pension is the actual amount paid in the most recent year.

* Regardless of the title, any person in a position equivalent to president or vice president (i.e., general manager, CEO, director, etc.) shall also be disclosed.

Breakdown of Remuneration

Breakdown of Remuneration to the Company's Presidents and Vice Presidents	Names of Presidents and Vice Presidents	
	The Company (Note 6)	The Company (Note 6)
Less than NT$ 1,000,000	None	None
NT$ 1,000,000 (inclusive) - NT$ 2,000,000 (not inclusive)	None	None
NT$ 2,000,000 (inclusive) - NT$ 3,500,000 (not inclusive)	None	None
NT$ 3,500,000 (inclusive) - NT$ 5,000,000 (not inclusive)	Lawrence Yang, Alex Huang	Lawrence Yang, Alex Huang
NT$ 5,000,000 (inclusive) - NT$ 10,000,000 (not inclusive)	Glen Chu, Steve Yang	Glen Chu, Steve Yang
NT$ 10,000,000 (inclusive) - NT$ 15,000,000 (not inclusive)	None	None
NT$ 15,000,000 (inclusive) - NT$ 30,000,000 (not inclusive)	None	None
NT$ 30,000,000 (inclusive) - NT$ 50,000,000 (not inclusive)	None	None
NT$ 50,000,000 (inclusive) - NT$ 100,000,000 (not inclusive)	None	None
More than NT$ 100,000,000	None	None
Total	4 Persons	4 Persons

Note 1: The names of presidents and vice presidents shall be stated separately, and each amount paid shall be compiled and disclosed.
Note 2: This refers to the salary, duty allowance, and severance pay received by the presidents and vice presidents in the most recent year.
Note 3: This refers to the amount of bonuses, incentives, travel allowance, special disbursement, various allowances, accommodation, company car, and physical offers, and other compensation received by the presidents and vice presidents in the most recent year. When there are expenses for housing, car or other transportation tools, or specialized personal expense, the nature and cost of the provided asset, the rent calculated according to the actual or fair market price, gasoline fee, and other payments shall be disclosed. In addition, when a driver is involved, the compensation paid to said driver by the Company shall be noted but excluded from the remuneration. Moreover, the payroll expenses listed in the IFRS 2 Share-based Payment, including employee stock options, restricted stock awards, and shares from follow-on offerings, shall be covered in the remuneration as well.
Note 4: The amount of employee remuneration (in shares and in cash) distributed to the presidents and vice presidents based on the resolution of the Board in the most recent year shall be specified. If it is impossible to forecast the same, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year.
Note 5: The total amount of each remuneration item to the Company's presidents and vice presidents paid by the companies in the consolidated statements (including the Company) shall be disclosed.
Note 6: This refers to the sum of remuneration items paid by the Company to each president and vice president, and the names of presidents and vice presidents shall be disclosed in the ranges of remuneration they fall into.
Note 7: The sum of remuneration items paid by the companies in the consolidated statements (including the Company) to the Company's presidents and vice presidents shall be disclosed, with the names of presidents and vice presidents provided in the ranges of remuneration they fall into.
Note 8: The net income after tax refers to the net income after tax in the separate or individual financial statements for the most recent year.
Note 9:
a. The amount of remuneration received by the presidents and vice presidents from investees other than subsidiaries or from the parent company shall be specified in this column (fill in "none" when there is no such amount).
b. The remuneration received by the Company's presidents and vice presidents from investees other than subsidiaries or from the parent company, if any, shall be included in Column E of the breakdown of remuneration, with the column renamed to "Parent Company and All Investees".
c. The remuneration refers to the compensation, remuneration (including that for employees, directors, and supervisors), and payments for business expenses received by the Company's presidents and vice presidents as directors, supervisors, or managerial officers of the investees other than subsidiaries or of the parent company.

* The remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes.

Remuneration of the Officers of the TWSE/TPEx Listed Company With the Five Highest Remunerations (Note 1)

December 31, 2023; Unit: NT$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonus and Special Disbursement (C) (Note 3)		Employee Remuneration (D) (Note 4)				Sum of A, B, C, and D, and the Percentage of Net Income After Tax (%) (Note 8)		Remuneration From Investees Other Than Subsidiaries, or From the Parent Company (Note 9)
		The Company	All Companies Included in the Financial Statements (Note 5)	The Company	All Companies Included in the Financial Statements (Note 5)	The Company	All Companies Included in the Financial Statements (Note 5)	The Company		All Companies Included in the Financial Statements (Note 5)		The Company	All Companies Included in the Financial Statements	
								Amount Paid in Cash	Amount Paid in Shares	Amount Paid in Cash	Amount Paid in Shares			
Chairman	Steve Yang	4,666	4,666	-	-	1,444	1,444	1,255	-	1,255	-	7,365 3.38%	7,365 3.38%	None
President	Glen Chu	3,702	3,702	108	108	998	998	851	-	851	-	5,659 2.60%	5,659 2.60%	None
President	Alex Huang	3,131	3,131	108	108	839	839	893	-	893	-	4,971 2.28%	4,971 2.28%	None
CEO	Lawrence Yang	2,920	2,920	108	108	758	758	994	-	994	-	4,780 2.19%	4,780 2.19%	None
Assistant Vice President	Tsai, Gen-Sheng	1,546	1,546	95	95	506	506	558	-	558	-	2,705 1.24%	2,705 1.24%	None

Note 1: Regarding the term of "officers with the five highest remunerations", the officers refer to the managerial officers of the Company. The definition of managerial officers is subject to the scope of "managerial officers" specified in Letter Tai-Tsai-Zheng-III-Zi No. 0920001301 dated March 27, 2003 of the former Securities and Futures Commission, Ministry of Finance. As for the principle for the calculation and determination of the "officers with the five highest remunerations", the total amount of salary, pension, bonus, and special disbursement, etc. received by the managerial officers from the companies in the consolidated financial statements and the employee remuneration (i.e., sum of A+B+C+D) are taken as the basis; the results are then ranked in order to determine the officers with the five highest remunerations. If a director concurrently acts as any one of the aforementioned officers, it shall be listed in this table and the previous table (1-1).

Note 2: This refers to the salary, duty allowance, and severance pay received by the officers with the five highest remunerations in the most recent year.

Note 3: This refers to the amount of bonuses, incentives, travel allowance, special disbursement, various allowances, accommodation, company car and physical offers, and other compensation received by the officers with the five highest remunerations in the most recent year. When there are expenses for housing, car or other transportation tools, or specialized personal expense, the nature and cost of the provided asset, the rent calculated according to the actual or fair market price, gasoline fee, and other payments shall be disclosed. In addition, when a driver is involved, the compensation paid to said driver by the Company shall be noted but excluded from the remuneration. Moreover, the payroll expenses listed in the IFRS 2 Share-based Payment, including employee stock options, restricted stock awards, and shares from follow-on offerings, shall be covered in the remuneration as well.

Note 4: The amount of employee remuneration (in shares and in cash) distributed to the officers with the five highest remunerations based on the resolution of the Board in the most recent year shall be specified. If it is impossible to forecast the same, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year, and Table 1-3 shall be filled in.

Note 5: The total amount of each remuneration item to the Company's officers with the five highest remunerations paid by the companies in the consolidated statements (including the Company) shall be disclosed.

Note 6: The net income after tax refers to the net income after tax in the separate or individual financial statements for the most recent year.

Note 7: a. The amount of remuneration received by the officers with the five highest remunerations from investees other than subsidiaries or from the parent company shall be specified in this column (fill in "none" when there's no such amount).

b. The remuneration refers to the compensation, remuneration (including that for employees, directors, and supervisors), and payments for business expenses received by the Company's officers with the five highest remunerations as directors, supervisors, or managerial officers of the investees other than subsidiaries or of the parent company.

* The remuneration disclosed herein is different from the term "income" as defined in the Income Tax Act; this table is for information disclosure, and not for taxation purposes

(II) Names of the Managerial Officers Entitled to Employee Remuneration, and Status of the Distribution

Names of the Managerial Officers Entitled to Employee Remuneration, and Status of the Distribution

December 31, 2023; Unit: NT$ thousand

	Title	Name	Amount Paid in Shares	Amount Paid in Cash	Total	As a Percentage of Net Income After Tax (%)
Managerial Officer	Chairman	Steve Yang	0	6,035	6,035	2.77%
	President	Glen Chu				
	President	Alex Huang				
	CEO	Lawrence Yang				
	Assistant Vice President	Johnson Hsu				
	Assistant Vice President	Tsai, Gen-Sheng				
	Chief Financial Officer	Weiling Yuan				
	Chief Corporate Governance Officer	Maggie Wang				

Note 1: This is the employee remuneration distributed to the managerial officers based on the resolution of the Board. When it is impossible to forecast it, the amount to be distributed for the year shall be calculated based on the actual distribution ratio in the previous year.

Note 2: The net income after tax in 2023 was NT$217,909 thousand. For the data to which the International Financial Reporting Standards are applied, the net income after tax refers to the net income after tax in the separate or individual financial statements for the most recent year.

Note 3: According to Letter Tai-Tsai-Zheng-III-Zi No. 0920001301 dated March 27, 2003 of the Commission (Securities and Futures Commission), the scope of managerial officers is shown as follows:

(1) President and Persons in Equivalent Level
(2) Vice President and Persons in Equivalent Level
(3) Assistant Vice President and Persons in Equivalent Level
(4) Chief Financial Officer
(5) Chief Accounting Officer
(6) Other Persons Authorized to Manage and Sign For the Company

(III) Analysis of the total remuneration to directors (independent directors included), presidents, and vice presidents of the Company paid by the Company and companies included in the financial report as a percentage of the net income after tax in the most recent two years, and description of the policies, standards, and portfolios for payment of the remuneration, the procedures for determining the remuneration, and the association with the operation performance and future risk exposure:

December 31, 2023

	Total Remuneration As a Percentage of Net Income After Tax (%)			
	2023		2022	
	The Company	All consolidated entities	The Company	All consolidated entities
Directors (including independent directors)	14.21%	14.21%	11.76%	11.76%
Presidents and Vice Presidents	10.45%	10.45%	8.00%	8.00%

The remuneration payment policy, standard and combination:

I. The remuneration payment policy, standard and combination:

(1) Article 19 of the Company's Articles of Incorporation: Profits concluded by the Company in a fiscal year are subject to employee remuneration of 5%–12%, and director remuneration of no more than 3%. The independent directors do not participate the distribution of profit-sharing remuneration The Company also take the director performance evaluation results into account based on the remuneration evaluated pursuant to the "Rules for Performance Evaluation of Board of Directors" regularly. Different remuneration to independent directors and directors may be determined. The remuneration to the independent director acting as the chair of a functional committee may have more remuneration than other independent directors.

(2) The remuneration to the managerial officers of the Company is determined in accordance with the Company's remuneration policy and the general level in the industry. The bonus is highly associated with the business performance of the Company and the personal work performance. In case the Company makes profits for a year, 5% to 12% of such is provided as the remunerations to employees pursuant to Article 19 of the Company's Articles of Incorporation. Each year, the scores of the managerial officers' performance indicators are used as a reference for the allocation of managerial officers' bonuses. The managerial officers' performance evaluation items include ESG, such as economic, environmental, and human rights impact goals and performance considerations. In order to motivate managerial officers and all employees to value long-term overall performance and achieve sustainable development, we have linked the sustainable development strategies and goals to the remunerations of our Chief Sustainability Officer, president concurrent CEO, managerial officers and heads of business units since 2023. The system and standards are all formulated by the Remuneration Committee and review in a timely manner.

1. Chief Sustainability Officer: Performance indicator - sustainable development performance (70%), implementation method (weighting): one level higher at corporate governance ranking (10%), issuance of ESG sustainability report (20%), ESG innovation proposal (20%), ESG project achievement rate (20%)
2. President concurrent CEO and other managerial officers: sustainable development performance (20%) and operating performance (80%)

II. Procedures to determine remunerations

In order to regularly evaluate the remuneration to directors and managerial officers, the remuneration is based on the evaluation results pursuant to the Company's "Regulations Governing Performance Evaluation of Board of Directors" and the "Procedures for Managing Performance Managerial Officers," and linked to the Company's operating performance indicators, to be submitted to the board of directors for approval

III. Association with the operation performance and future risk exposure

The review of the payment standards and system related to the Company’s remuneration policy is mainly based on the overall operation of the Company, and the payment standards are determined base on the performance achievement rate and contribution, to improve the overall organizational efficiency of the Board of Directors and management departments. In addition, the remuneration standards in the industry are referred to, to ensure that the remuneration of the Company’s management is competitive in the industry, in order to retain outstanding management talents.

IV. Corporate Governance

(I) Operation of the Board of Directors:

During the period from January 1, 2023 to December 31, 2023, 7 board meetings were held, and the attendance of directors is as below:

Title	Name	Actual Number of Appearances (Attendance)	Number of Attendances by Proxy	Actual Appearance (Attendance) Rate (%)	Note
Chairman	YANGTEK CORPORATION Rep.: Steve Yang	7	0	100.00	None
Director	Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	7	0	100.00	None
Director	Alex Huang	3	0	100.00	Resigned on June 19, 2023
Director	Lawrence Yang	5	2	71.43	None
Independent Director	Shuling Lin	7	0	100.00	None
Independent Director	Yinchun Chuang	7	0	100.00	None
Independent Director	Alan Yu	7	0	100.00	None
Independent Director	Wei-Bo Lin	4	0	100.00	Newly Elected on June 20, 2023

Other matters to be specified:

I. Where any of the following circumstances occurs to any meeting of the Board of Directors, the date, term, and proposal of the meeting as well as the opinions of all the independent directors and actions taken by the Company on such opinions shall be specified:

(I) Matters Referred to in Article 14-3 of the Securities and Exchange Act:

Date/Term	Proposals	Opinions of all Independent Directors and Actions Taken by the Company on Such Opinions
2023/3/22 [The 13th Meeting of the 12th Term]	1. Amendments to the Company's "Corporate Governance Best-Practice Principles," "Sustainable Development Best-Practice Principles," and the "Regulations Governing the Financial and Operational Transactions With Related Parties" 2. Amendment to the Company's "Regulations Governing the Management of Subsidiaries" 3. Amendment to the "Regulations Governing the Evaluation and Performance Appraisal of CPAs"	The proposals were approved by all independent directors.

Date/Term	Proposals	Opinions of all Independent Directors and Actions Taken by the Company on Such Opinions
	4. Review of CPAs' professional fees for 2023. 5. Amendment to the Regulations Governing the Distribution of Remuneration to Directors 6. 2022 Statement on Internal Control System. 7. Review of the amendment to the written "Internal Control System" of the Company. 8. Provision of endorsement/guarantee for the affiliate CviCloud Corporation. 9. Provision of endorsement/guarantee for the affiliate CviMall International Corporation.	
April 26, 2023 [The 14th Meeting of the 12th Term]	1. Proposal for amendment of the Company's "Articles of Incorporation". 2. Proposal to amend the Company's "Operational Procedures for Loaning of Funds to Others"	The proposals were approved by all independent directors.
May 9, 2023 [The 15th Meeting of the 12th Term]	1. Amendment to the written "Internal Control System" of the Company. 2. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd. 3. Proposal for amend the Company's "Articles of Incorporation". 4. Proposal for the intended private placement of common shares	The proposals were approved by all independent directors.
July 12, 2023 [The 16th Meeting of the 12th Term]	1. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd. 2. The third tier subsidiary of the Company, CviLux Technology (Shenzhen) Corporation intends to invest for establishing Yuan Han Sensing Technology (Dongguan) Co., Ltd.	The proposals were approved by all independent directors.
August 9, 2023 [The 17th Meeting of the 12th Term]	1. Amendment to the written "Internal Control System" of the Company. 2. The Company has established the "Operating Procedures for Preparation and Verification of Sustainability Report" 3. Application for the limit of endorsement/guarantee for the subsidiary CviLux Electronics (Dongguan) Co., Ltd.	The proposals were approved by all independent directors.
November 8, 2023 [The 18th Meeting of the 12th Term]	1. Chang registration for capital increase by conversion of unsecured convertible corporate bonds in Q3 2023 2. Loaning of funds amounting to USD2 million to the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposals were approved by all independent directors.
December 27, 2023 [The 19th Meeting of the 12th Term]	1. Capital increase of the fourth tier subsidiary, CviLux Lao Co., Ltd. 2. The Company intends to increase the amount of investment in Vietnam 3. Provision of endorsement/guarantee for the affiliate CviCloud Corporation. 4. Amendment to the written "Internal Control System" of the Company. 5. Amendment to the Regulations Governing the Distribution of Employee Remuneration to Managerial Officers	The proposals were approved by all independent directors.

(II) In addition to the matters mentioned above, any resolution of the Board of Directors for which dissent or reservation is expressed by any independent director, and recorded in the minutes or a written statement: None.

II. Regarding the situation of a director's recusal of conflict of interest, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described:

(I) The 19th Meeting of the 12th Term of Board of Directors on December 27, 2023

1. Proposal: Performance evaluation of CSO and CEO of the Company in 2023.
   Director(s) sought to avoid conflict of interest: Steve Yang, Lawrence Yang.
   Reasons for the recusal, and participation in the voting: Director Steve Yang and Director Lawrence Yang recused themselves from the discussion according to Article 206 of the Company Act to avoid a conflict of interest. None of the rest of the attending directors expressed dissent; the proposal was approved as proposed.
2. Proposal: Performance indicators for managerial officers engaged by the Company in 2024.
   Director(s) sought to avoid conflict of interest: Steve Yang, Lawrence Yang, and Glen Chu
   Reasons for the recusal, and participation in the voting: Directors Steve Yang, Lawrence Yang, and Glen Chu recused themselves from the discussion according to Article 206 of the Company Act to avoid a conflict of interest. None of the rest of the attending directors expressed dissent; the proposal was approved as proposed.

III. A TWSE/TPEx listed company shall disclose the frequency, period, scope, method, and items of evaluation for the self-evaluation (or peer evaluation) of its Board of Directors, and shall specify the information in Table - Evaluation of the Board of Directors.

Evaluation of the Board of Directors

Evaluation Frequency (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Items (Note 5)
Once every three years	October 1, 2021 - September 30, 2022	Performance Evaluation of the Board of Directors	Engagement of external professional institutions	1. Composition and professional development of the Board of Directors 2. The quality of decision-making by the Board of Directors. 3. The effectiveness of the Board of Directors' operation 4. Internal control and risk management 5. Involvement of the Board of Directors in corporate social responsibility
Once a Year	January 1, 2023 ~ December 31, 2023	Performance Evaluation of the Board of Directors	Internal Self-evaluation of the Board of Directors	1. Participation in the operations of the Company. 2. Improvement of the quality of decision-making by the Board of Directors. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control.

Evaluation Frequency (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Items (Note 5)
Once a Year	January 1, 2023 ~ December 31, 2023	Performance Evaluation of the Individual Directors	Self-evaluation of Directors	1. Understanding of the goals and missions of the Company. 2. Awareness of the duties of a director. 3. Participation in the operations of the Company. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control.
Once a Year	January 1, 2023 ~ December 31, 2023	Performance Evaluation of the Functional Committees - the Audit Committee	Internal Self-evaluation of the Board of Directors	1. Participation in the operations of the Company. 2. Awareness of the duties of functional committees. 3. Improvement of the quality of decision-making by the functional committees. 4. Composition and appointment of the committee members. 5. Internal control.
Once a Year	January 1, 2023 ~ December 31, 2023	Performance Evaluation of the Functional Committees - the Remuneration Committee	Internal Self-evaluation of the Board of Directors	1. Participation in the operations of the Company. 2. Awareness of the duties of functional committees. 3. Improvement of the quality of decision-making by the functional committees. 4. Composition and appointment of the committee members. 5. Internal control.
Once a Year	January 1, 2023 ~ December 31, 2023	Performance Evaluation of the Functional Committees - the Risk Management Committee	Internal Self-evaluation of the Board of Directors	1. Participation in the operations of the Company. 2. Awareness of the duties of functional committees. 3. Improvement of the quality of decision-making by the functional committees. 4. Composition and appointment of the committee members. 5. Internal control.

Note 1: The frequency of the Board evaluations shall be indicated.

Note 2: The period of the Board evaluation shall be indicated.

Note 3: The scope of evaluation includes the performance evaluation of the Board of Directors, individual directors, and functional committees.

Note 4: The evaluation methods include the internal self-evaluation of the Board of Directors, self-evaluation of directors, peer evaluation, performance evaluation commissioned to an external professional institution or experts, or other applicable methods.

Note 5: Depending on the evaluation scope, the evaluation items shall include at least the following:

(1) Performance Evaluation of the Board of Directors: Participation in the operations of the Company, quality of decision-making by the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.

(2) Performance Evaluation of the Individual Directors: Understanding of the goals and missions of the Company, awareness of the duties of a director, participation in the operations of the Company, internal relationship management and communication, professionalism and continuing education of directors, and internal control.

(3) Performance Evaluation of the Functional Committees: Participation in the operations of the Company, awareness of the duties of functional committees, quality of decision-making by the functional committees, composition and appointment of the committee members, and internal control.

IV. Evaluation of the goals (e.g., establishment of the Audit Committee, improvement of information transparency, etc.) and implementation with respect to enhancement of the function of the Board of Directors in the current and most recent year:

Goal With Respect to Enhancement of the Function of the Board of Directors	Implementation Status
Voluntary Establishment of the Audit Committee	The Company voluntarily established the Audit Committee on June 9, 2015. Clear and feasible organizational rules have been specifically developed and adopted.
Enhancement of the Independence of the Remuneration Committee	The independent directors act as the members of the Remuneration Committee to enhance the independence of the Remuneration Committee in a continuous manner.
Improvement of the Quality of Decision-making by the Board of Directors	The Company disseminates the information about relevant policies and regulations regularly and arranges for the Board members to take continuing education courses of professional institutions every year, in order to improve the quality of decision-making by the Board.
Regular Assessment of the Independence of the CPAs	The Company has the “Regulations Governing the Assessment and Performance Evaluation of CPAs” and periodically assesses the independence and competency of the CPAs, thereby ensuring the reliability of the Company’s financial statements.
Effectiveness of the Internal Control System and Risk Management	The chief auditor not only attends the Board meeting to report the implementation status of internal audits, but also supervises the implementation status of the Company’s internal control system and risk management.
Standard Operating Procedures for Handling Directors’ Requests	The standard operating procedures for handling the requests of directors have been developed to ensure a standardized process to handle the directors’ requests for information or assistance, so that it is less likely that the directors damage the rights of the investors due to any difficulty in performing their duties.
Appointment of a Chief Corporate Governance Officer	The Company appointed a chief corporate governance officer on July 11, 2019 to provide the information and necessary assistance required for the directors to perform their duties.
Establishment of Risk Management Committee	To establish the risk management mechanism and strengthen corporate governance, the Company established a Risk Management Committee on December 28, 2022, and formulated the Company’s “Risk Management Policy and Procedures” and the “Risk Management Committee Charter” for compliance.

(II) Operation of the Audit Committee:

The Audit Committee aims at supporting the Board of Directors to supervise the quality and integrity of the Company’s implementation of audits, financial reporting procedures, and financial control.

The matters to be reviewed by the Audit Committee mainly include:

- Fair presentation of the Company’s financial statements.
- Appointment (dismissal) of CPAs, and their independence and performance.
- Effective implementation of the Company’s internal control.
- The Company’s compliance with the relevant regulations and rules.
- Control of the Company’s existing or potential risks.

The Audit Committee met seven times (A) in 2023, and the attendance of independent directors is as follows:

Title	Name	Actual attendances (B)	Number of Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note 1, Note 2)	Note
Independent Director	Shuling Lin	7	0	100%	None
Independent Director	Yinchun Chuang	7	0	100%	None
Independent Director	Alan Yu	7	0	100%	None
Independent Director	Wei-Bo Lin	4	0	100%	Newly Elected on June 20, 2023

Note 1: Where an independent director resigns before the end date of the year, the date of resignation shall be specified in the Notes column, and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of attendances during their period on the Board.

Note 2: Where the independent directors were re-elected before the end date of the year, the new and former independent directors shall both be specified, and the status of independent directors (resigned, newly elected, or re-elected) and the date of re-election shall be indicated in the Notes column. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings and his/her actual number of attendances during their period on the board.

Other matters to be specified:

I. Where any of the following circumstances occurs to the operation of the Audit Committee, the date, term, and proposal of the Audit Committee meeting as well as the dissent, reservation, or major suggestion of any independent director, the Audit Committee resolution, and actions taken by the Company on the Audit Committee’s opinions shall be specified.

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

Date/Term	Proposals	Opinions of all Independent Directors and Actions Taken by the Company on Such Opinions
March 23, 2023 [The 10th Meeting of the 3rd Term]	1. The Company's 2022 consolidated financial statements and separate financial statements. 2. Review of the independence and suitability evaluation of CPAs 3. "2022 Statement on Internal Control System" of the Company. 4. Amendment to the written "Internal Control System" of the Company. 5. Amendments to the Company's "Corporate Governance Best-Practice Principles," "Sustainable Development Best-Practice Principles," and the "Regulations Governing the Financial and Operational Transactions With Related Parties" 6. Amendment to the Company's "Regulations Governing the Management of Subsidiaries" 7. Amendment to the "Regulations Governing the Evaluation and Performance Appraisal of CPAs" 8. Review of CPAs' professional fees for 2023. 9. Provision of endorsement/guarantee for the affiliate CviCloud Corporation. 10. Provision of endorsement/guarantee for the affiliate CviCloud Corporation. 11. Provision of endorsement/guarantee for the affiliate CviMall International Corporation.	The proposals were approved by all independent directors.
April 26, 2023 [The 11th Meeting of the 3rd Term]	1. Proposal for amend the Company's "Articles of Incorporation". 2. Proposal to amend the Company's "Operational Procedures for Loaning of Funds to Others"	The proposals were approved by all independent directors.
May 9, 2023 [The 12th Meeting of the 3rd Term]	1. The quarterly consolidated financial statements for the Q1 2023. 2. Amendment to the written "Internal Control System" of the Company. 3. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd. 4. Proposal for amend the Company's "Articles of Incorporation". 5. Proposal for the intended private placement of common shares	The proposals were approved by all independent directors.
July 12, 2023 [The 13th Meeting of the 3rd Term]	1. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd. 2. The third tier subsidiary of the Company, CviLux Technology (Shenzhen) Corporation intends to invest for establishing Yuan Han Sensing Technology (Dongguan) Co., Ltd.	The proposals were approved by all independent directors.
August 9, 2023 [The 14th Meeting of the 3rd Term]	1. The quarterly consolidated financial statements for the Q2 2023. 2. Amendment to the written "Internal Control System" of the Company. 3. The Company has established the "Operating Procedures for Preparation and Verification of Sustainability Report"	The proposals were approved by all independent directors.

Date/Term	Proposals	Opinions of all Independent Directors and Actions Taken by the Company on Such Opinions
	4. Application for the limit of endorsement/guarantee for the subsidiary CviLux Electronics (Dongguan) Co., Ltd.	
November 8, 2023 [The 15th Meeting of the 3rd Term]	1. The quarterly consolidated financial statements for the Q3 2023. 2. Loaning of funds amounting to USD2 million to the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposals were approved by all independent directors.
December 27, 2023 [The 16th Meeting of the 3rd Term]	1. Capital increase of the fourth tier subsidiary, CviLux Lao Co., Ltd. 2. The Company intends to increase the amount of investment in Vietnam 3. Provision of endorsement/guarantee for the affiliate CviCloud Corporation. 4. Amendment to the written "Internal Control System" of the Company.	The proposals were approved by all independent directors.

(II) In addition to the matters mentioned above, any resolution unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. Regarding the situation of an independent director's recusal of conflict of interest, the name of the independent director, proposal, reasons for the recusal, and participation in the voting shall be described: None.

III. Communication between independent directors and internal chief auditor/CPAs (major matters, methods, and results of communication on the Company's financial and business conditions, etc. should be included):

(I) Policies of Communication Between the Independent Directors and the Internal Chief Auditor/CPAs

1. Methods of Communication With the CPAs:

(1) The independent directors and the CPAs shall hold at least four regular meetings per year, and communicate through the Audit Committee before the meetings.

(2) Each year, the CPAs shall give a presentation when the Q1, Q2, Q3, and annual financial statements are issued, and report the important accounting standards and future amendments to and trends of laws and regulations for further discussion with the independent directors. They may meet at any time if required due to any significant abnormalities.

2. Methods of Communication With the Internal Chief Auditor:

(1) The independent directors and the internal chief auditor shall hold at least four regular meetings per year, and have discussion based on the internal audit reports through the Audit Committee and the Board of Directors. They may meet at any time if required due to any significant abnormalities.

(2) The internal audit reports and improvement follow-ups are submitted to the independent directors via email on a monthly basis for review.

(II) Summary With Respect to the Communication Between the Independent Directors and the Internal Chief Auditor/CPAs:

(1) The independent directors of the Company have good communication on the implementation status and effectiveness of the audits. The major matters for communication in 2023 are summarized as follows:

Date	Matters for Communication With the Internal Chief Auditor
March 23, 2023	1. Audit plan implementation from December 2022 to March 2023. 2. Audit Reporting: Implementation status of the 2022 Audit Plan. 3. Audit Reporting: 2023 Audit Plan. 4. Audit Reporting: 2023 roster of internal audit personnel and substitute staff, and their continuing education status.
May 9, 2023	1. Audit plan implementation from March to April, 2023. 2. Audit Reporting: 2023 Statement on Internal Control of CviLux. 3. Audit Reporting: Reporting on the implementation regarding the abnormality improvements of internal control system in 2022.
August 9, 2023	1. Audit plan implementation from April to June, 2023. 2. Follow-ups to the audits 3. Audit Reporting: Reporting on the implementation regarding the abnormality improvements of internal control system
December 27, 2023	1. Audit plan implementation from July to December, 2023 2. Follow-ups to the audits in Q3 2023.

(2) The independent directors of the Company have good communication with the CPAs. The major matters for communication in 2023 are summarized as follows:

Date	Matters for Communication With the CPAs
March 22, 2023	Communication with the corporate governance unit on the following items of 2022: 1. Independence. 2. Responsibility of auditors for the audit of financial statements. 3. Types of the audit opinions issued. 4. Audit scope. 5. Audit findings. 6. Important update of laws and regulations.
May 9, 2023	Communication with the corporate governance unit on the following items of Q1 2023: 1. Independence. 2. Responsibility of auditors for the reviewing interim financial reports. 3. Types of the audit results issued. 4. Scope of review 5. Audit findings. 6. Other matters to be noticed. 7. Important update of laws and regulations.
August 9, 2023	Communication with the corporate governance unit on the following items of Q2 2023: 1. Independence. 2. Responsibility of auditors for the reviewing interim financial reports. 3. Types of the audit results issued. 4. Scope of review 5. Audit findings. 6. Important update of laws and regulations. 7. Communication with governance units - introduction of international sustainability disclosure standards
November 8, 2023	Communication with the corporate governance unit on the following items of Q3 2023: 1. Independence.

Date	Matters for Communication With the CPAs
	2. Responsibility of auditors for the reviewing interim financial reports. 3. Types of the audit results issued. 4. Scope of review 5. Audit findings. 6. Important update of laws and regulations. 7. Annual audit plan.

(III) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations:

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the "Corporate Governance Best Practice Principles" and disclosed them on the "Market Observation Post System" for the shareholders and the public to check them.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
II. Shareholding Structure and Shareholder's Equity				
(I) Does the Company have an internal procedure and handle shareholders' suggestions, doubts, disputes, and litigations accordingly?	V		We have dedicated personnel to appropriately handle matters related to shareholders. Additionally, a spokesperson system has been established. The spokesperson or the deputy spokesperson will handle shareholders' suggestions, doubts, and disputes, etc.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Does the Company have a name list of the major shareholders who actually control the Company and the persons who have ultimate control of major shareholders?	V		Maintaining close interactions with major shareholders, the Company is constantly aware of major shareholders who actually control the Company to ensure the stability of management rights. Each year, the top 10 shareholders are disclosed in the annual report and in the section for investor relations on our official website.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Has the Company established and implemented risk control and firewall mechanisms between the Company and its affiliates?	V		We have established appropriate risk control and firewall mechanisms in accordance with internal regulations such as the "Procedures for Transactions Among Related Parties, Specific Companies, and Group Enterprises", "Regulations Governing the Financial and Operational Transactions With Related Parties", "Regulations Governing the Management of Subsidiaries", "Procedures for Endorsements/Guarantees", "Procedures for Loaning Funds to Others", and	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			"Procedures for Acquisition or Disposal of Assets".	
(IV) Has the Company established internal regulations to prohibit insiders from using information not available to the market to trade securities?	V		The Company has established the "Internal Material Information and Operational Information Management Procedures" specifying that after material information is clarified, and before the disclosure or within 18 hours upon disclosure, no person with actual knowledge of the information may buy or sell the Company's securities for themselves on behalf of others. Also, the control measures for stock trading since the date when the Company's insiders learn of the Company's financial reports or related performance results, including (but not limited to), directors must not trade their shares within 30 days prior to the announcement of annual financial reports, or 15 days prior to the announcement of quarterly financial statements.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
III. Composition and Responsibilities of Board of Directors (I) Has the Board of Directors established and implemented diversity policies and specific management objectives?	V		To enhance corporate governance, it is set forth in the Company's "Corporate Governance Best Practice Principles" that diversity shall be taken into account for the formation of the Board of Directors. That is, gender, age, nationality, and culture, etc. shall not be included in the criteria. All members of the Board shall possess the knowledge, skills, and competence necessary to perform their duties. To achieve the goal of ideal corporate governance, the Board of Directors shall, on the whole, possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to perform business management. 4. Ability to handle crises. 5. Knowledge of industry. 6. Understanding of international markets. 7. Ability to lead. 8. Ability to make decisions. As of the end of April in 2024, the Company had one director aged over 70, three directors aged 61-70, and three directors aged below 60. Among the current Board members, Steve Yang, Glen Chu and Lawrence Yang possess good leadership	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			skills, abilities of operational judgment and business management, knowledge of the industry, and an understanding of international markets; Independent Director Shuling Lin possesses abilities of finance, accounting, and financial affairs, and has the professional qualifications of a CPA and a patent agent; Independent Director Yinchun Chuang possesses IT knowledge and ability of software operation management; Independent Director Alan Yu possesses abilities of operational judgment and business management and an understanding of international markets. In 2023, the lawyer from Six Similes Attorneys-at-Law, Wei-Bo Lin joined as a director; his expertise is intellectual property incidents, insurance incidents, and labor incidents, and may provide instructions to the Company's legal affairs. Each director gives professional opinions on the Company's various developments to help the Company grow steadily. To ensure a sound Board structure, the diversity objectives of the Board of Directors are set to one female director at minimum and a percentage of more than 50% for independent directors. Female board members joined the Board of Directors in 2021 and this objective was achieved. One additional independent director joined the Board of Directors in 2023, and thus the objective to add more seats of independent directors was achieved. Please refer to P.24 of the annual report for the implementation of the diversity policy of the Board of Directors.	
(II) Has the Company voluntarily formed other functional committees in addition to the Remuneration Committee and Audit Committee set up pursuant to relevant laws and regulations?	V		In addition to establishing the Remuneration Committee and Audit Committee as required by law, the Company established a Risk Management Committee on December 28, 2022 as approved by the Board of Directors, in order to implement corporate governance and improve the risk management system. The Committee has four members, and all of them are independent directors. Their terms of office are the same as the term of	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			the Board of Directors. The Convener of the Risk Committee, Ms. Shuling Lin, specializes in financial and tax planning, financial risks, and capital utilization, meeting the needs of the Risk Committee. The duties of the Risk Committee are as follows: 1. Review of risk management policies. 2. Review the adequacy of the risk management framework. 3. Review of material risk management strategies, including risk tolerance. 4. Review the management report on material risk issues and supervise the improvement mechanism. 5. Regularly report the implementation of risk management to the Board of Directors. The Risk Management Committee held one meeting in 2023 (November 8, 2023). Discussion of the Company's operations and ESG risk management.	
(III) Does the Company have regulations and methods for the performance evaluation of the Board of Directors and conduct regular performance evaluation every year? Does the Company submit the results of the performance evaluation to the Board of Directors? Are the results used as the basis for the remuneration to and nomination for re-election of individual directors?	V		The Company's "Regulations Governing Performance Evaluation of Board of Directors" specify that the performance evaluation of the Board of Directors of the Company shall be conducted by an external professional independent institution or teams of external experts and scholars at least once every three years. The results of the internal or external performance evaluation of the Board of Directors shall be completed before the next board meeting in the following year. The Company commissioned the Taiwan Investor Relations Institute to conduct the performance evaluation of the Board of Directors on November 9, 2022. The evaluation period was from November 1, 2021 to September 30, 2022. The evaluation was conducted by surveying all directors with questionnaires, and online interviews to the Chairman, the Audit Committee convener, the corporate governance officer, and the audit officer; the execution unit - the Chairman's Office issued a self-evaluation questionnaire for the performance of the previous year to all directors in January 2024, except for the evaluation conducted by the execution unit	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			to the Board of Directors and functional committees (overall operations), each director also conducts a self-assessment. The 2023 performance evaluation results of the Board of Directors and functional committees is that "the performance of the overall Board of Directors is operating effectively," and the Corporate Governance Officer reported such on March 14, 2024 in the board meeting. The results will be used as the basis for the remuneration to directors.	
(IV) Does the Company review the independence of the CPAs on a regular basis?	V		The Company has established the "Regulations Governing Evaluation of the Suitability and Independence of Certified Public Accountants." Once a year, the Audit Committee and the Board of Directors evaluate the independence and suitability of the hired CPAs with reference to the Audit Quality Indicators (AQIs). The results of the most recent evaluation were evaluated by the Audit Committee based on the "Evaluation Table for Suitability and Independence of Certified Public Accountants," the "AQI Information," and the "Declaration of Independence" issued by the CPAs, and then deliberated and approved by the Board of Directors on March 14, 2024. It has been assessed by the Company that the CPAs of KPMG, Tang, Chia-Chien, and Huang, Ming-Hung, both meet the Company's assessment criteria of independence (Note 1) and are therefore qualified to act as the CPAs of the Company. The CPAs have also issued a statement of independence for reference.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
IV. Does the Company, as a TWSE/TPEx listed company, have an adequate number of corporate governance personnel with appropriate qualifications as well as a chief corporate governance officer to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with Board meetings and	V		The corporate governance affairs of the Company are handled by the Chairman's Office. The head of Chairman's Office was appointed to be the chief corporate governance officer upon the resolution of the Board on July 11, 2019. The officer's responsibilities include providing the information and necessary assistance required for the directors to perform their duties (such as giving the information required for business execution to the directors, supporting the directors to comply with laws and regulations, arranging education and training courses	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of Board meetings and shareholders meetings?			for the directors, dealing with matters related to the Board meetings and shareholders meetings, etc., dealing with matters regarding changes in directors, reporting the review results of whether the qualifications of independent directors comply with the related laws and regulations at the time of nomination, being elected and during the term of office, dealing with matters regarding changes in directors, supervising the corporate governance unit's planning and implementation of systems and relevant procedures, coordinating and developing corporate governance improvement plans with relevant internal and external units, carrying out administrative matters of the Board, processing corporate registration and amendment registration at related units, retaining the related documents and seals, and disclosing information. For the information on the continuing education of the chief corporate governance officer, please refer to the table in Note 3 below.	
V. Has the Company established a communication channel for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set a stakeholder section on the Company's website, and responded to the concerns of stakeholders on the material issues related to corporate social responsibilities?	V		The Company has set up the "Stakeholders Section" on the official website. The contact methods for stakeholders and the communication status with different types of stakeholders in the most recent year are disclosed therein. We appropriately respond to the material CSR issues stakeholders are concerned about, and continue to improve different operational aspects of the Company. The communication status with stakeholders is reported to the Board of Directors on an annual basis (the latest date reporting to the board of directors: July 12, 2023)	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VI. Does the Company commission a professional stock service agent to deal with the matters of shareholders meetings?	V		The Company commissions the "Shares Registration Service Department of Hua Nan Securities" as the professional stock service agent to deal with the matters of shareholders meetings.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VII. Disclosure of Information				
(I) Has the Company established a website to disclose the financial, operational, and corporate	V		The "Investors Section" and "ESG" section have been established on our official website to periodically disclose the	In compliance with the Corporate Governance Best

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
governance information?			financial, operational, and corporate governance information for the reference of investors.	Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the Company adopted other means to disclose information (e.g., English website, designation of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, disclosure of investor conferences on the Company's website)?	V		The Company has designated specific personnel to collect and disclose corporate information. The financial and operational information of the Company is disclosed on our official website and MOPS, and a spokesperson system has been set up to enhance the accuracy and timeliness of material information. The data of the four investor conferences on March 29, 2023, May 26, 2023, August 23, 2023, and November 23, 2023 has also been disclosed on MOPS and the Company's website.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Has the Company announced and reported annual financial statements within two months after the end of a fiscal year, and announced and reported the Q1, Q2, Q3 financial statements and the operating status of each month in advance of the prescribed deadline?	V		The Company's annual and quarterly financial statements and monthly revenue information are announced and reported on MOPS early before the prescribed deadline, and uploaded to the Company's website at the same time.	There is no material deviation.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors, implementation of risk management policies and risk assessment standards, implementation of customer policies, and insuring against liabilities of the Company's directors)?	V		(I) Employee Rights, Employee Care, Investor Relations, Supplier Relations, and Stakeholders' Rights: Complying with the Labor Standards Act, Company Act, Securities and Exchange Act, and other regulations of the competent authority, the Company engages in ethical management, fulfills the responsibilities of corporate citizenship, and ensures the rights of investors. Regarding employee rights, we properly implement the Labor Standards Act (please refer to "V. Labor-management Relations" of "Five. Operational Overview" for more details). Proactively investing in environmental protection, we have also received the ISO14001 certification and observed the RoHS for the management of hazardous substances of products. In terms of investor relations, relevant information is announced publicly, and investor conferences are	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			organized irregularly to present the operating outcome and vision of the Company. Moreover, we stick to the principle of ethics to maintain the relationship with suppliers. A specific Code of Ethical Conduct has been formulated for the conduct of related stakeholders (i.e., directors and managerial officers), and complaint channels are provided. (II) Continuing Education of Directors: While on board, the Board members of the Company continually take courses in corporate governance given by institutions specified in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. The course completion certificates of the directors are disclosed on the MOPS. (Please refer to the table of Note 2 below.) (III) Implementation of Risk Management Policies and Risk Assessment Standards: In order to implement the risk management mechanism, the annual risk assessment for the Group is conducted regularly, and the results of the risk assessments are reported to the Risk Management Committee (composed of four independent directors) and the Board of Directors (the latest report was made on November 8, 2023). The content includes a summary of various risks faced by the Company for the year (risks encountered in 2023, such as operational management risks, legal compliance and change risks, climate change risks, occupational safety and health risks, etc.), and risk control measures; the risk management promotion task force continuously monitor the risk, and the relevant departments shall propose countermeasures, and properly report risks and countermeasures to the Risk Management Committee for ensuring the effective operation and execution	

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			of the Company's risk management. (IV) Implementation of Customer Policies: Our production and stocking of products are subject to a thorough quality control process. For any disputes over the quality with customers, the sales and quality assurance units are required to make primary responses within three days, and prepare official written reports to present the Company's handling plans and progress to the customers and make continuous improvement in quality accordingly. In this way, we fully implement the quality policy of "endeavoring to ensure the enhancement and stability of quality to win the trust and satisfaction of customers". (V) Insuring Against Liabilities of the Company's Directors: We took out liability insurance for all the directors and managerial officers upon the resolution of the Board on December 27, 2023, with a coverage period from December 28, 2023 to December 28, 2024. The amount insured is USD3 million each.	

IX. Improvements made based on the corporate governance evaluation result announced by the Corporate Governance Center of the TWSE in the most recent year, and the prioritized improvements and measures for areas to be improved:

(I) The Company ranked in the place between 6%-20% based on the corporate governance evaluation result in 2023. The improvements that have been made include the following:

(1) The Company's annual report voluntarily discloses the remunerations of individual directors and supervisors.

(2) Whether the Company's annual report discloses voluntarily the individual remuneration paid to the President and Vice Presidents

(3) The Company reports on the remuneration of directors, including the remuneration policy, individual remuneration details and amount, at the regular shareholders' meeting.

(4) The Company establishes the Risk Management Committee and other non-statutory functional committees. The committee shall consist of at least three members, more than half of which are independent directors, and at least one member has the professional skills required by the committee. The composition, responsibilities and operations shall be disclosed.

(5) The Regulations Governing Performance Evaluation of Board of Directors formulated by the Company have been approved by the Board of Directors. It is specified that an external evaluation shall be performed at least once every three years, and such evaluation has been conducted in the year of evaluation, or in the prior two years. The implementation and evaluation results have been disclosed on the Company's website or annual report .

(II) Prioritized Improvements and Measures for Areas to be Improved:

(1) The Company uploads the English version of the meeting notice 30 days prior to the regular

Evaluation Item	Status			Deviations From the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
shareholders' meeting. (2) The Company uploads the English version of the agenda handbook and meeting supplementary materials 30 days prior to the regular shareholders' meeting. (3) The Company uploads the English version of the annual report seven days prior to the regular shareholders' meeting. (4) The Company has formulated risk management policies and procedures approved by the Board of Directors, disclosing the scope of risk management, organizational structure and its operation, and reports such to the Board of Directors at least once a year. (5) The Company's annual report discloses the link between the performance evaluation and remuneration of directors and managerial officers. (6) The Company prepares the sustainability report in accordance with the GRI Guidelines issued by the Global Reporting Initiative (GRI), and uploads the report on the Market Observation Post System and the Company's website by the end of September. (7) The Company prepares the sustainability report in accordance with the GRI Guidelines issued by the Global Reporting Initiative (GRI), and uploads the report on the Market Observation Post System and the Company's website by the end of September. (8) The sustainability report prepared by the Company was verified by a third party.				

Note 1: Assessment Criteria of CPA Independence

I. Suitability: Based on the Audit Quality Index (AQI): the content covers five major aspects: professionalism, quality control, independence, supervision and innovation ability, with 13 indicator items.

II. Independence assessment items

Item No.	Independence Assessment Items
1	Are CPAs not serving as directors of the Company or any of its affiliated companies?
2	Are CPAs not serving as shareholders of the Company or any of its affiliated companies?
3	Are CPAs not being paid by the Company or any of its affiliated companies?
4	Have CPAs confirmed that their accounting firm has complied with the relevant independence standards?
5	Has the co-practicing accountant of the accounting firm of CPAs not served as the Company's directors, managerial officers, or positions having a significant impact on the audit within one year of resignation?
6	The CPAs have not provided the audit service to the Company for seven consecutive years.
7	Have the CPAs complied with the requirements of The Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 regarding independence?

Note 2: Continuing Education of Directors:

Title	Name	Course Date	Organizer	Course Name	Course Hours
Representative of Institutional Director	Steve Yang	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3

Title	Name	Course Date	Organizer	Course Name	Course Hours
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Representative of Institutional Director	Glen Chu	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Director	Alex Huang	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		June 8, 2023	Securities and Futures Institute	Trends in the global economy and industrial technology	3
Director	Lawrence Yang	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Independent Director	Shuling Lin	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Independent Director	Yinchun Chuang	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Independent Director	Alan Yu	April 26, 2023	Taiwan Investor Relations Institute	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
Independent Director	Wei-Bo Lin	August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
		November 2, 2023	Securities and Futures Institute	Technical development and application opportunities of the chatting robot ChatGPT	3

Note 3: Continuing education of the chief corporate governance officer:

Course Date	Organizer	Course Name	Course Hours
July 17,	Securities and Futures Institute	2019 Conference on Education on Compliance	3

Course Date	Organizer	Course Name	Course Hours
2019		With Laws Governing Equity Transaction of Insiders in Listed Companies and Unlisted Public Companies	
August 2, 2019	Taiwan Corporate Governance Association	Take Corporate Governance to the Next Level! Discussion on Roles and Responsibilities of Corporate Governance Officers	3
April 24, 2020	Taiwan Corporate Governance Association	Operation and Decision-Making Effectiveness of the Board of Directors	3
May 15, 2020	Taiwan Corporate Governance Association	How to Understand Financial Statements—A Lesson for Corporate Governance Personnel With a Non-Financial Background	3
June 12, 2020	Taiwan Corporate Governance Association	Ten Compulsory Courses in Corporate Governance	3
July 10, 2020	Taiwan Corporate Governance Association	Information, to be given or not given? Discussion of the information rights of directors	3
October 16, 2020	Taiwan Stock Exchange Corporation	2020 Promotional Seminar on Corporate Governance and Ethical Management of Directors and Supervisors	3
May 4, 2021	Taiwan Investor Relations Institute	Study on Best Practices of ESG and Performance Evaluation of Board of Directors That Enterprises Can’t Ignore	3
October 20, 2021	Securities and Futures Institute	2021 Insider Equity Transaction Compliance Conference	3
November 19, 2021	Taiwan Corporate Governance Association	Study on New Challenges to the Board of Directors Based on Corporate Governance 3.0	3
December 16, 2021	Taiwan Corporate Governance Association	The Driver for Transformation to Realize the SDGs	3
April 22, 2022	Taiwan Corporate Governance Association	Net zero emissions, carbon neutrality, and corporate compliance	3
August 18, 2022	Taiwan Investor Relations Institute	Practical Analysis of Perfect Succession and Asset Inheritance	3
October 12, 2022	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Conference	3
November 25, 2022	Taiwan Corporate Governance Association	Legal restrictions on the equity of directors and supervisors and analysis of judgments	3
April 27, 2023	Taiwan Stock Exchange Corporation	Promotional Seminar of Sustainable Development Action Plan for TWSE/TPEx-listed Companies	3
August 9, 2023	Taiwan Investor Relations Institute	Budget, profit center and KPI formulation	3
September 1, 2023	Taiwan Corporate Governance Association	Exert the professional functions of independent directors with a profit-seeking mindset	3
November 24, 2023	Taiwan Investor Relations Institute	How to use Excel for corporate valuation and IR management	3
December 14, 2023	Securities and Futures Institute	Analysis of the Key Points of Corporate Governance Evaluation to be Noted by Directors and Supervisors	3

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

Responsibilities of the Remuneration Committee: The committee shall faithfully perform the following matters by exercising the due diligence of a good administrator and submit its suggestions to the Board of Directors for discussion.

* Stipulate and regularly review the policies, systems, standards, and structures of the performance evaluation and remuneration of directors and managerial officers.
* Regularly review and determine the remuneration for directors and managerial officers.

1. Profiles of the Remuneration Committee Members

Member Type (Criteria)	Name	Professional Qualifications and Experience	Compliance With Independence Requirements	Number of Other Public Companies Where the Person Also Serves in a Remuneration Committee	Note
Independent Director and Convener	Shuling Lin	1. The person possesses abilities of finance, accounting, and financial affairs, and has the professional qualifications of a CPA and a patent agent. 2. The person is currently a CPA of Honesty CPA Firm. 3. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	0	

Member Type	Name	Professional Qualifications and Experience	Compliance With Independence Requirements	Number of Other Public Companies Where the Person Also Serves in a Remuneration Committee	Note
Independent Director	Yinchun Chuang	1. The person possesses IT knowledge, ability of software operation management, and an understanding of international markets. 2. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	0	
Independent Director	Alan Yu	1. The person possesses abilities of operational judgment and business management, and an understanding of international markets. 2. None of the circumstances under Article 30 of the Company Act are applicable.	1. The person and his/her spouse or relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or any of its affiliates. 2. The person and his/her spouse or relatives within the second degree of kinship do not hold shares of the Company. 3. The person is not a director, supervisor, or employee of any companies in a special relationship with the Company. 4. The person did not provide the Company or any of its affiliates with commercial, legal, financial, accounting, or related services in the most recent two years.	0	

2. Operation of the Remuneration Committee

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

(2) The term of office of the current members: from August 5, 2021 to August 4, 2024. The Remuneration Committee held five meetings in 2023. The qualifications of the members and their attendance to the meetings are as follows:

Title	Name	Actual Number of Attendances	Number of Attendances by Proxy	Actual Attendance Rate (%)	Note
Convener	Shuling Lin	5	0	100%	
Member	Yinchun Chuang	5	0	100%	
Member	Alan Yu	5	0	100%	
Other Matters to be Specified I. If the Board of Directors does not adopt or revise the suggestions of the Remuneration Committee, the date, term, and proposal of the Board of Directors meeting, the Board of Directors resolution and actions taken by the Company on the Remuneration Committee's opinions shall be specified (if the amount of remuneration adopted by the Board of Directors is higher than that suggested by the Remuneration Committee, the differences and reasons must be indicated): None. II. For any resolution of the Remuneration Committee for which dissent or reservation is expressed by any of the members and recorded in the minutes or a written statement, the date, term, and proposal of the Remuneration Committee meeting, opinions of all members, and actions taken on such opinions shall be specified: None.					

3. Duties of the Remuneration Committee Members

The main powers of the Remuneration Committee are to establish and regularly review the system and standards for performance and remuneration of directors and managerial officers, and to evaluate the remunerations of directors and managerial officers on a regular basis. Meanwhile, the Remuneration Committee shall comprehensively consider the following principles when evaluating: the Company's remuneration complies with relevant laws and regulations and is sufficient to attract outstanding talents; the performance evaluation and remuneration of directors and managerial officers shall be based on the general standard of the industry while considering the individual's investment of time, responsibilities assumed, achievement of personal goals, performance in other positions, remuneration to persons of similar position in recent years, and the Company's achievement of short-term and long-term business goals, as well as the Company's financial status, to evaluate the reasonableness of correlations between the personal performance and the Company’s operating performance and future risks; directors and managerial officers shall not be induced to engage in conducts that exceed the Company’s risk appetite for pursuing remuneration; considerations shall be given to nature of sector and the Company’s business for the percentage of remuneration paid to directors and senior managerial officers' short-term performance and timing of some of the variable compensations..

In practice, the Remuneration Committee abides by the duty of care of a good steward, faithfully fulfills duties of regularly reviewing and establishing the policy, system, standards, and structure of the performance evaluation and remuneration of directors and managerial officers, while regularly reviewing and establishing and remuneration of directors and managerial officers, and submit their recommendations to the Board of Directors for discussion.

4. Dates, proposals, and resolutions of the Remuneration Committee meetings in the most recent year, and actions taken by the Company on the Remuneration Committee’s opinions:

Date/Term	Proposals	Resolution	Actions Taken by the Company on the Remuneration Committee’s Opinions
March 22, 2023 [The 7th Meeting of the 5th Term]	Determination of the amount and distribution methods of remuneration to employees and directors for 2022.	The proposal was approved by all committee members.	The proposal was submitted to the Board of Directors’ meeting and approved by all attending directors.
	Remuneration to directors, presidents and vice presidents in 2022		
	Total amount of 2023 remuneration to the Company’s managerial officers.		
	Amendment to the Regulations Governing the Distribution of Remuneration to Directors		
July 12, 2023 [The 8th Meeting of the 5th Term]	The amount of remuneration distributed to directors for 2022.	The proposal was approved by all committee members.	The proposal was submitted to the Board of Directors’ meeting and approved by all attending directors.
	Review of the amount of the employee remuneration to managerial officers for 2022.		
August 9, 2023 [The 9th Meeting of the 5th Term]	Managerial officers' Performance Evaluation Report for the first half of 2023	No resolution required for the report	No resolution required for the report
November 8, 2023 [The 10th Meeting of	Managerial officers' Performance Evaluation Report for the January to September 2023	No resolution required for the	No resolution required for the report

Date/Term	Proposals	Resolution	Actions Taken by the Company on the Remuneration Committee's Opinions
the 5th Term]		report	
December 27, 2023 [The 11th Meeting of the 5th Term]	Amendment to the Regulations Governing the Distribution of Employee Remuneration to Managerial Officers	The proposal was approved by all committee members.	The proposal was submitted to the Board of Directors' meeting and approved by all attending directors.
	Policies, systems, standards, and structures of remuneration to directors and managerial officers.		
	2024 work plan for the Company's Remuneration Committee.		
	Performance evaluation of the CSO and CEO of the Company in 2023.		
	Performance indicators for managerial officers engaged by the Company in 2024.		

(IV) Composition, Responsibilities, and Operation of the Risk Management Committee:

Committee members shall exercise the due care of a good steward, faithfully perform the following duties, and be accountable to the board of directors, while submitting their recommendations to the board of directors for discussion:

- Review of risk management policies.
- Review the adequacy of the risk management framework.
- Review of material risk management strategies, including risk tolerance.
- Review the management report on material risk issues and supervise the improvement mechanism.
- Regularly report the implementation of risk management to the Board of Directors.

1. Profiles of the Risk Management Committee Members

The Company established a Risk Management Committee on December 28, 2022 as approved by the Board of Directors, in order to implement corporate governance and improve the risk management system. The Committee has four members, and all of them are independent directors. Their terms of office are the same as the term of the Board of Directors.

Name of Risk Committee member	Independent director or not	Expertise
Shuling Lin (Convener)	V	Financial and tax planning, financial risk, capital utilization
Yinchun Chuang	V	Enterprise information security and software development
Alan Yu	V	Product development and subsidiaries' business practices
Wei-Bo Lin	V	Intellectual property, insurance, and labor-management legal incidents

2. Operation of the Remuneration Committee

(1) The Risk Management Committee of the Company consists of four members.

(2) The term of office of the current members: from December 28, 2022 to August 4, 2024. The Remuneration Committee held one meeting in 2023. The attendance of the members is as follows:

Title	Name	Actual Number of Attendances	Number of Attendances by Proxy	Actual Attendance Rate (%)
Convener	Shuling Lin	1	0	100%
Member	Yinchun Chuang	1	0	100%
Member	Alan Yu	1	0	100%
Member	Wei-Bo Lin	1	0	100%

(VI) Implementation Status of Sustainable Development, Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons for Such Deviations

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
I. Does the Company have a governance structure that promotes sustainable development and have a special unit or designate an existing unit for the task of sustainable development promotion? Does the Board of Directors of the Company authorize the management to handle relevant matters? How does the Board of Directors conduct supervision?	V		The Company established the Sustainability Committee in 2021 as the highest internal sustainable development center. The Chief Sustainability Officer acts as the convener and, together with the senior management of every unit, reviews the core operation capabilities of the Company and formulates mid-term and long-term sustainable development plans. The Sustainability Committee is composed of the heads of each unit and forming the Green Sustainability Team, Sustainable Supply Chain Team, Happy Workplace Team, Social Engagement Team, and Corporate Governance Team. Through joint discussions to identify the corporate operations and sustainability issues of concern to stakeholders, formulate corresponding strategies and work guidelines, plan and implement annual programs, and track implementation results. The corporate governance officer reported the implementation of the Company's sustainable development at the board meeting on July 12, 2023. The content of the proposals included (1) identification of sustainability issues requiring attention, and formulation of corresponding action plans; (2) the goals of sustainability-related issues and amendment to the policies (3) supervising the implementation of sustainable development matters and evaluating the implementation; the board members fully understood the Company's plans for sustainable development, and provided guidance for the self-inspection form of relevant certifications and regulations from the sustainable development (ESG) aspect.	There is no material deviation.
II. Does the	V		In order to strengthen corporate governance	There is no

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
Company conduct risk assessment for environmental, social, and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?			and improve risk management operations, the Company has formulated the "Risk Management Policy and Procedures." The risk management structure is centered on each accountable department to assess the related risks. The assessment is based on the probability of occurrence and extent of impact from these risks on CviLux, and the certain high-risk items are responded to ensure that the Company achieves the purpose of sustainable operation. The scope of 2023 risk identification and disclosure includes the headquarters, Dongguan Factory, Qunhan Factory, Suzhou Factory, and Chongqing Factory. The risks identified by the Company in 2023 and the risk management strategies thereof are as follows: 1. Economic Aspect 1-1.Finance/Operation and Management/Law: The directors are responsible for monitoring the risk management structure of the consolidated company. The governance officers of different sectors have formed a intersectoral business management meeting to manage the risk management policies of the consolidated company, and reported the meeting's operation to the directors periodically. The risk management policies of the consolidated company are for identifying and analyzing the risks that the consolidated company faces, setting up risk limitation and control, and monitoring the risks and the conformity of risk limitation. The intersectoral business management meeting reviews the impact of external factors on operation on a regular basis, reflects the situation in the market in a timely manner, and adjusts the operation of the consolidated company appropriately to cope with changes in the market. The consolidated company makes all	material deviation.

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			employees understand their roles and responsibilities through training, management methods, and operating procedures. The Company's Board of Directors and the Audit Committee monitor and control the conformity of the consolidated company's risk management policies and procedures, and review the adequacy of the consolidated company's risk management structure related to the risks faced. Internal audit personnel assist the Audit Committee of the Company in being the supervisory role. Related officers regularly or exceptionally review the control and procedure of risk management, and report the results of the review to the Board of Directors and the Audit Committee. Formulate business plans every year to plan operating strategies for long-term development in the future. In order to protect the rights and interests of shareholders, based on the principle of stability and a pragmatic business philosophy, the Company only focuses on the core business performance, and does not engage in high-risk and high-leverage investment activities. The "Operating Procedures for Loaning of Funds to Others" and the "Operating Procedures for Endorsement/Guarantee" are established for compliance, while strengthening the competitiveness of core businesses, making great use of existing equipment to increase production capacity and manufacturing productivity, and striving to transform into a total solution provider for providing more convenient and suitable high value-added services to increase gross margin. 1-2. Supply chain: Ensuring no mineral from conflict zones is used; in the implementation standards for supplier management, the assessment of suppliers and audit are regulated, and four-step supplier sustainability	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			management process are developed to ensure that suppliers meet our standards and improve the sustainable performance. 1-3. Ethics, integrity and anti-corruption: The Company has established the “Ethical Corporate Management Best-Practice Principles,” the “Procedures for Ethical Management and Guidelines for Conduct,” the “Regulations Governing the Processing of Reports of Illegal and Unethical or Dishonest Conduct,” “Ethical Code of Conduct for Directors and Managerial Officers,” the “Internal Material Information and Operational Information Management Procedures,” and the “Code of Business Ethical Management.” 2. Environmental Aspect 2-1 Environmental impact and management: The Company uses the TCFD framework to construct the Company's climate risk identification process. As a result of cross-departmental discussions on climate risks and opportunities, a total of six opportunities and nine risks were identified. 2-2. ESH Certifications: With the ISO14001 environmental management system certification obtained, the Company has been making efforts to incorporate environmental protection into the operations based on legal compliance, production waste reduction, green design, and education and training. 2-3. Green Supply Chain: In response to the trends in the dimensions of the environment, society, and governance such as “Responsible Business Alliance Code of Conduct,” carbon trade/tax, and ESG reporting in the electronics industry, we have to make corresponding preparation in a timely manner, prevent pollution, and save energy to cut energy consumption and GHG emissions. 3. Social Aspect 3-1 Occupational safety and health: The main	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			factory of the headquarters, Dongguan Factory, Qunhan Factory, Suzhou Factory, and Chongqing Factory have all completed the "ISO 45001 Occupational Health and Safety Management System" certification. Implementation of occupational safety and health education and training, workplace safety regulations and labeling, regularly review of occupational safety regulations with RPA text crawler robots, fire prevention measures and fire drills, and regularly inspection of equipment. 4. Governance Aspect 4-1. Compliance: By establishing a governance organization and implementing an internal control mechanism, it is ensured that all the Company's personnel and operations truly comply with relevant laws and regulations; patents are applied for the Company's products developed to protect the Company's rights and interests. 4-2. Strengthening of the functions of directors: relevant continuing education topics are planned for directors, and the latest regulations, system development and policies are provided for directors every year; directors are insured with directors' liability insurance to protect them from lawsuits or claims. 5. Information Security Aspect 5-1. Information Security Policies: Introducing ISO27001 information security framework for compliance, the Company ensures the normal operation of the Group's servers, network equipment, and cyber and communication security. Meanwhile, we effectively reduce the risks of the stealing, inappropriate use, disclosure, alteration, or damage of information assets caused by human error (or deliberate intention) or natural disasters. 5-2. Information Security Organization: We have an Information Security Management	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			Committee organized by the Information Management Department. The committee holds management review meetings on a regular basis to make sure of the implementation of information security-related plans. Every year (reported on November 8, 2023 in 2023), the information security reexamination results of the committee are submitted to the Board of Directors and the Audit Committee. 5-3. Information Security Protection: The Company makes continuous improvements to strengthen the security of the key infrastructure, network connection, data, and device protection, etc.	
III. Environmental Issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		The Company has obtained the environmental management system ISO14001 certifications according to the characteristics of the connector industry (certificate validity period: May 15, 2023 - May 14, 2026 for the headquarters, Dongguan Factory, Chongqing Factory, and Suzhou Factory); in addition, in recent years, the impact of global warming has become increasingly serious. In 2021, during the 26th United Nations Climate Summit (COP26), the Glasgow Climate Pact was reached with various countries with the goal to control global warming within 2℃. In response to the global trend, CviLux has introduced ISO 14064-1 in 2021 (verification date passed by the headquarters: 2023/8/8) to understand the sources of greenhouse gas emissions caused by the Company's operations, and formulate reduction countermeasures Meanwhile, the Company supports the Glasgow Climate Pact with action, and takes 2021 as the base year for the first inventory, the medium-term and long-term goal is to reduce Scope 1 and Scope 2 emissions by 20% between 2022 and 2025 and 40% by 2030.	There is no material deviation.
(II) Is the Company	V		The Company actively promotes various	There is no

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?			energy reduction measures, promotes the gradual replacement of old equipment at the production end, replaces with energy-saving equipment and upgrades automated production lines; implements renewable energy-related measures; develops energy monitoring systems to reduce energy consumption by corporate and products, and expands utilization of renewable energy for the optimization of energy efficiency. When using raw materials, the Company complies with the environmental regulations RoHS, Halogen Free (HF), REACH, and the requirements of hazardous substance free (HSF) at the customer end, and constantly promotes production waste reduction to fulfill our commitment to pollution prevention. Green product designs are adopted to reduce the environmental impact. By applying a certain ratio of recycled plastic materials to products, updating molds to reuse them for new products, and using the same kits for different products, we dedicate ourselves to upgrading the efficient use of all resources. The regrind resin waste and defective products produced in the manufacturing processes are disposed of by the commissioned qualified industrial waste treatment company. Before the company recycles and disposes of them, we report and apply for their destruction to the environmental protection department as per laws and regulations.	material deviation.
(III) Does the Company assess the current and future risks and opportunities which climate change potentially brings to the Company		V	The climate risk management are mainly discussed and evaluated by the Sustainability Committee, and then the results of climate change resolutions are reported, through the accountable officers of the sustainability team for the implementation performance and suggestions of necessary improvement. The Company reports to the Board of Directors every year on a regular basis, makes	There is no material deviation.

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
and adopt corresponding measures?			amendments based on the opinions of the Board of Directors, and includes such in the issues related to climate change risk and the management goals thereof Referring to the impact of the issues in “Climate-Related Risks and Financial Impact Cases” in TCFD on the Company's strategy and planning, and conducting qualitative and quantitative analysis of climate-related scenarios to formulate corresponding measures. With reference to the 2°C scenario (2DS), the Company discussed the definition of short, medium and long-term period in the Sustainability Committee meeting, and the definition is as “1-5 years”, “6-10 years”, and “more than 10 years,” respectively. Climate risk and opportunity assessment are conducted based on this period definition. The types of climate risks include transition risks and physical risks. They are further divided into policy and regulations, market, and immediate and long-term risks. Opportunities are divided into three types: resource efficiency, energy sources, and products and services. The Company completed the latest climate risk assessment at the end of 2023, and focused on the following nine major risks from 22 climate risk items: levying carbon tax (EPA), greenhouse gas. The Carbon Border Adjustment Mechanism (CBAM), information disclosure of carbon emissions, requirements and supervision of existing products and services, changes in customer behaviors, rising costs of raw materials, increasing severity of extreme weather events such as typhoons and floods, changes in rainfall (water) patterns and extreme changes in climate patterns, as well as rising average temperatures . In order to reduce the impact of the operations on the surrounding environment, we have	

<table>
<tr><th rowspan="2">Item of Implementation</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>invested a considerable amount of resources in all environmental indicators, such as energy saving and carbon reduction, waste management, green product design, and supply chain management, in order to pursue the vision of sustainable development.</td><td></td></tr>
<tr><td>(IV) DHas the Company made statistics of the greenhouse gas emissions, water consumption, and total waste weight in the past two years? Does the Company have policies for the reduction of greenhouse gas emissions and water consumption or other waste management policies?</td><td>V</td><td></td><td>1. Greenhouse Gas Inventory and Results
The Company’s headquarters completed the inventory and third-party verification of ISO 14064-1 for Scope 1, 2, and 3 in 2022
Greenhouse gas emissions in the last two years: (Information on scopes 1, 2 and 3 is information of headquarters)
Unit: Tons CO2e
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Total</th></tr>
<tr><td>2021</td><td>30.51</td><td>228.90</td><td>40.66</td><td>300.07</td></tr>
<tr><td>2022</td><td>41.55</td><td>203.79</td><td>37.29</td><td>282.63</td></tr>
</table>
The greenhouse gas carbon emission of the headquarters of the Company (2022/1/1 - 2022/12/31) was 282.63 tons/CO2e, mainly from the indirect emission of purchased electricity under Scope 2, by generating 203.79 tons/CO2e in 2022. Scope 1 includes corporate vehicles and office equipment such as refrigerators and water dispensers, which generate 41.55 tons/CO2e. Scope 3 includes waste and purchased energy, generating 37.29 tons of CO2e. From the data, 72.11% of the Company’s greenhouse gas emissions in 2022 came from the purchase of electricity, and the reduction of electricity consumption is the most direct approach to reduce greenhouse gas emissions. Each plant has to implement improvement measures such as process energy control and management, enhancement of equipment efficiency, and introduction of the greening and energy-saving system. The management is conducted against the target of reducing emissions by 20% during 2022 to 2025.</td><td>There is no material deviation.</td></tr>
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Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			2. Energy and Resource Management Strategy of energy and resource management: wee regularly review environmental issues, constantly implement energy saving plans, and set carbon reduction targets in accordance with the framework of the environmental management system. In terms of production, old facilities are gradually replaced with energy-saving ones, and automated production lines are enhanced. The measures related to renewable energies are implemented. The energy monitoring system is developed; Environmental protection and energy saving measures are also adopted in daily aspects, including saving energy with lighting and AC, and promoting green office practices for a low-carbon life. Energy Saving Target: A reduction of 20% power consumption during 2022 to 2025. Energy Saving Measures of the Group: 1. Enhancement of production line automation. 2. Replacement with variable frequency air compressors. 3. Install automatic sensors in public areas or areas with fewer people to reduce energy consumption of lighting 4. The headquarters and factories in mainland China are gradually replacing with LED panel lights. 5. Install curtains and insulation paper to reduce indoor temperature 6. Turn on the air conditioner when the temperature is higher than 28 degrees, and turn on the heating when the temperature is lower than 10 degrees. 7. Regular air-conditioning maintenance and inspection to reduce power consumption 8. The photovoltaic power generation system was installed on the rooftop of Chongqing plant 9. The headquarters purchased 50 renewable	

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<tr><th rowspan="2">Item of Implementation</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>energy certificates from TaiPower in 2024, expecting to reduce carbon emissions by about 24.75 tons/CO2e in 2024.
Combining on the above carbon reduction actions, the absolute carbon reduction (scope 1 and scope 2) in 2022 decreased by 5.42% year-on-year.
III. Water Resource Management
Water Saving Strategies: No process wastewater is generated during the Company’s production. The water resources are for general domestic use, and the effluents thereof are discharged to the sewer management system established by the government. The water resource saving strategies focus on the progressive introduction of water-saving equipment and the development of daily habits of employees to achieve the target for water use.
Water Saving Target: A 1% reduction in water consumption per year
Water Saving Measures of the Group:
1. Replacement of water-saving taps
2. Adjustment of water pressure for water supply
3. Regular water pipe inspection and maintenance
Water consumption in the last 2 years: (Headquarters)

Unit: m3
<table><tr><th>Year</th><th>Total Water Consumption</th></tr><tr><td>2022</td><td>3,267</td></tr><tr><td>112</td><td>3,711</td></tr></table>The energy and resource management strategy was implemented since 2021. So far, the annual water consumption of the headquarters was first reduced by 1%, but increased by 13.59% in the next year. In response to the increase in water consumption, we will continue to</td><td></td></tr>
</table>

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			promote water saving to employees, and strive to achieve the goal. IV. Waste Management Our factories continue to improve the manufacturing processes. To mitigate the impact on the environment, the use of copper plates and plastic materials is reduced from the source, the service life of resources is extended through resource reuse, and the consumption of energy and materials is cut down. The Company devotes efforts to the recycling and reuse of waste. The metal scraps from the production processes are refined by the recycler to make gold bullions and create new value. With the recycling cycle, we reduce the environmental impact by effectively slowing down the exhaustion of metal resources on earth. For general industrial waste, we commission a qualified and licensed vendor to clean up and dispose of it, and request the vendor to provide documents that prove the proper disposal. Additionally, we irregularly audit and follow up on the final disposal status of such waste to exercise the duty of care. Waste Reduction Measures: 1. Promotion of manufacturing process improvement to reduce industrial waste. 2. Working with major pressing factories to recycle paper disc packaging materials. 3. Reuse of materials and manufacturing of reusable production materials to cut down the consumption of energy and materials. 4. Enhancement of the recycling and reuse rate of precious metals to more than 40%. Recyclable scraps generated at the headquarters 3,324.64 kg in 2021, 3,131.55 kg in 2022 Waste output in the last 2 years: (Headquarters) Unit: metric tonnes	

<table>
<tr><th rowspan="2">Item of Implementation</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><th>Year</th><th>Industrial waste</th><th>Recycling rate of the recyclable</th></tr><tr><td>2022</td><td>4.08</td><td>15%</td></tr><tr><td>112</td><td>3.13</td><td>47%</td></tr></table></td><td></td></tr>
<tr><td>IV. Social Issues
(I) Does the Company have management policies and procedures in accordance with relevant regulations and international human rights conventions?</td><td>V</td><td></td><td>The Company values the rights of employees and builds a friendly environment for human rights protection. The Company complies with the “Responsible Business Alliance Code of Conduct,” “United Nations Universal Declaration of Human Rights,” “United Nations Global Compact,” “International Labor Organization of the United Nations” and other international labor and human rights standards. The Company’s human rights policy and related regulations are formulated, and published on the Company’s website.
Human Rights Assessment:
The “Corporate Sustainability Risk Assessment Sheet” is conducted every year to identify labor and business ethics hazards and risk assessments to control risks.
The Company had no record of human rights violation in 2023.
The Company’s specific plans for protecting human rights are as follows:<table><tr><th>Human rights management policy</th><th>Specific programs</th></tr><tr><td>Providing a safe and healthy work environment</td><td>Establish a safe and healthy work environment, prevent accidents from occurring, and ensure the safety of employees.</td></tr><tr><td>Prohibition of child labor</td><td>Prohibition from employing any person under the age of 16.</td></tr><tr><td>Prohibition of forced labor, and strict compliance</td><td>The orientation for new employees includes prohibition</td></tr></table></td><td>There is no material deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item of Implementation</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>with labor laws and regulations of the local government</td><td>of forced labor, anti-harassment</td></tr><tr><td>There are human rights clauses in contracts with suppliers, and on-site audits are arranged annually based on the assessment results</td><td>Major suppliers are requested to complete the “Review Form of Supplier Social Responsibility Risk Assessment and Appraisal.” The response rate from major suppliers in 2023 was 100%.</td></tr></table></td><td></td></tr>
<tr><td>(II) Does the Company establish and implement reasonable employee benefit measures (including remuneration, leave, and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees?</td><td>V</td><td></td><td>1. Employee remuneration
The Company develops remuneration and benefit plans that are internally encouraging and externally competitive based on the remuneration in the market and the operational status. Meanwhile, we adopt effective incentive plans to stimulate employees to deliver outstanding performance and attract, encourage, and retain talents. Appropriate remuneration and welfare plans are also devised according to the supply and demand status in the labor market. Establish a performance appraisal system, by setting performance targets every year, and conducting performance appraisals and interviews at the end of each year, while adopting the appraisal results as the basis for promotion, salary adjustment, bonuses and remunerations. In addition, 5% to 12% of the profit is provided as employee remuneration in accordance with the Company’s Articles of Incorporation, and distributed to all employees by considering their seniority and annual performance appraisal, to motivate all employees to work together for the Company’s goals.
2. Employee Benefit Measures:
The Company has established the Employee</td><td>There is no material deviation.</td></tr>
</table>

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			Welfare Committee, which appropriates the welfare fund in accordance with the law, and plans and provides various benefits to employees, such as: employee travel allowance, birthday gift vouchers, wedding gift cash, maternity subsidy, hospitalization allowance, among other things. In terms of leave system, in addition to the regular two days off per week, the Company also provides maternity leave and family care leave better than the Labor Standards Act, so that employees can balance personal and family care needs when needed. 3. Diversity and equality in the workplace The equal pay for equal work, and equal promotion opportunities for both gender is realized, the average proportion of female employees accounted for 57% in 2023, and the average proportion of female officers accounted for 28%. The Company values the labor rights of employees and proposes labor policies to create a happy and safe workplace which is free of discrimination, forced labor, and harassment, to provide employees with friendly and equal work opportunities, implement the gender equality policy, and create an atmosphere of mutual respect. 4. Business performance is reflected in employee remunerations Article 19 of the Company’s Articles of Incorporation: Profits concluded by the Company in a fiscal year are subject to employee remuneration of 5%–12%, and director remuneration of no more than 3%. However, if the Company has an accumulated loss, an amount used to cover the loss shall be set aside first. The employee remuneration as mentioned above may be paid in the form of shares or in cash to the employees of the Company’s	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			parents or subsidiaries who meet certain specific requirements. The director remuneration is distributed in cash. 5. Overall remuneration policy Provide competitive remuneration levels based on market salaries and operating conditions, improve employees' loyalty to the Company, reduce frequent personnel turnover, and enable the Company's operations to develop steadily.	
(III) Does the Company provide employees with a safe and healthy work environment, and regularly provide them with health and safety education?	V		The Company is well aware of the importance of employee safety protection measures, and hopes to create a safe workplace environment that complies with the requirements of relevant government laws. All operating activities are managed in accordance with the ISO 45001 system to effectively operate occupational safety and health management, to achieve the environmental protection and safeguard of the employees' health and rights, and other corporate sustainability philosophy. Effectively control the sources of hazards associated with the Company's operations and activities, implement the management of each department to prevent occupational disasters, and plan crisis response projects, execute emergency response drills and accident investigations, for continuous improvement of the management system. Major factories that have obtained occupational health and safety management system certification are as follows: Headquarters: ISO 45001: 2018 (Valid from March 12, 2024 to March 11, 2027) Dongguan Factory ISO 45001: 2018 (Valid from May 25, 2023 to May 30, 2026) Qunhan Factory ISO 45001: 2018 (Valid from May 25, 2023 to May 30, 2026) Suzhou Factory ISO 45001:2018 (Valid from May 25, 2023 to May 30, 2026) Chongqing Factory ISO 45001: 2018 (Valid from January 28, 2022 - February 27,	There is no material deviation.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>2025)
In order to improve the occupational safety and disaster responding capabilities of employees, and to cope with laws and regulations and operational needs, the Company divides environment, safety and health trainings into pre-job trainings and on-the-job trainings. The types of trainings include the EHS staff, officers of EHS-related operations, operators for hazardous machinery equipment, operators for special operations, fire prevention and fighting, use of protection equipment, 5S evaluators, dedicated EHS staff, and other trainings designated by the central competent authority.
There was zero case of occupational injury and disease in 2023.
The Company values the physical health of its employees very much. Free health examinations are arranged for employees every two years in the factories. Specialist physicians and nurses are also arranged for on-site services every quarter to provide employees with health-related medical consultation and health education, while assisting in the formulation of four major programs under labor health protection: burnout program, human-factor hazard program, unlawful infringement program, and maternal health program, to enable employees to work in a safer and more appropriate manner, avoid health hazards in the workplace or during working, and implement personal health protection and health management.
Industrial safety inspection items<table><tr><th>Item</th><th>Times</th></tr><tr><td>1. Determination of operating environment</td><td>Twice a year</td></tr><tr><td>2. Fire-fighting drills</td><td>Twice a year</td></tr><tr><td>3. Equipment and machine inspection and</td><td>Before starting work every</td></tr></table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item of Implementation</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>maintenance</td><td>day</td></tr><tr><td>4. Health examination for all employees</td><td>Once every two years</td></tr></table></td><td></td></tr>
<tr><td>(IV) Does the Company have effective programs for development and training regarding employees' career skills?</td><td>V</td><td></td><td>The Company prepares an annual training plan in accordance with the Company's operating plan. The Company's training courses are divided into orientations and on-the-job trainings, to help employees continue to learn and grow through diverse learning methods, and introduce training courses related to corporate sustainability, to cultivate employees' key capabilities to improve work capacity and effectiveness. Meanwhile, employees' personal training information is also referred to for future promotions and transfers.
1.The Statistics of the Company's Employee Training Courses in 2023 are Shown Below:<table><tr><th>Number of Internal Training Sessions</th><th>Internal Training Hours</th><th>External Training Hours</th><th>Total Cost of Education and Training</th></tr><tr><td>104</td><td>281</td><td>352</td><td>NT$148 thousand</td></tr></table>2.Continuing Education and Training Methods for Employees: The Company has specially made the induction training requirement list. The department heads are responsible for the supervision and training so that their subordinates meet the professional requirements. When the employees fail to reach the standards of the requirements related to the information systems, operating processes, or skills, specific personnel are designated to provide assistance. The training results are recorded in the personal education and training data of employees.
3.During performance interviews at the end of each year, officers and employees discuss and set up personal annual capability development plans. Through regular reviews</td><td>There is no material deviation.</td></tr>
</table>

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			and feedback, employees are assisted in tailoring the best development plans. There was no fire incident in 2023.	
(V) With respect to the issues related to products and services, such as customer health and safety, customer privacy, marketing, and labeling, does the Company conform to relevant regulations and international standards and establish relevant rights protection policies and complaint procedures for consumers or customers?	V		When using raw materials, the Company complies with the environmental regulations RoHS, Halogen Free (HF), REACH, and the requirements of hazardous substance free (HSF) at the customer end The Company has established the “Regulations Governing Personal Information Protection Management” and set up a personal information protection task force, to manage and protect customers’ privacy. Protect customers’ data through personal information internal audit, external verification, crisis prevention, and education and trainings. The Company has smooth communication channels with the customers, and maintains a stable and good partnership with each other. It regularly checks and confirms the implementation of various customer policies, accepts and handles customers’ complaints, and assists front-line salespeople in handling customers’ complaints to protect customers' interests The Company’s handling and labeling of all products comply with applicable laws and international standards.	There is no material deviation.
(VI) Does the Company have a supplier management policy that requires suppliers to comply with the regulations concerning environmental protection,	V		The Company introduced the “Responsible Business Alliance Code of Conduct” in 2022, and established the “Operating Regulations of Supplier Management” with reference to management systems such as ISO 9001 quality management system, ISO 14001 environmental management system, and ISO 45001 occupational health and safety. Through the non-stopping circulation of four stages of the sustainable management process, namely (1) sustainability regulations and investigation; (2) risk assessment; (3)assessment and audit;	There is no material deviation.

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
occupational health and safety, or labor rights? What is the status of its implementation?			(4) continuous improvement, the suppliers are furthered ensured to comply with the Company's standards and their sustainability performance are reinforced. With assessment, appraisal, training, and recognition, the sustainable supply chain management is fully implemented. Responsible mineral procurement policy: Due diligence is conducted on the production and sale of minerals in accordance with the "OECD Due Diligence Guidelines for Minerals." Meanwhile, the responsible mineral procurement policy is communicated to suppliers and required them to comply with policy requirements. Sustainability regulations and risk assessment for new suppliers: CviLux promotes the commitments to the "CviLux Sustainability Policy," the "Responsible Business Alliance Code of Conduct," the "Environmental, Safety and Health Management Agreement," the "Ethics, Integrity and Social Responsibility Commitment" as well as the "Non-Disclosure Agreement" to new suppliers. Suppliers of major materials and major manpower services are required to complete the "Supplier Evaluation Table" and the "Review Form of Supplier Social Responsibility Risk Assessment and Appraisal" additionally before they become qualified suppliers of CviLux. Recent performance of supply chain management: • Major suppliers are requested to complete the "Review Form of Supplier Social Responsibility Risk Assessment and Appraisal." The response rate from major suppliers was 100% • Conduct supplier the on-site audit for corporate sustainability risk assessment • Publish the Group-wide Sustainable Supplier Code of Operation	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			• RBA certifications obtained for headquarters and Suzhou Factory In January 2024, the ESG Sustainable Supply Chain Conference was held, and the participation rate of the major supplier was 89%. In addition to conveying the Company's sustainability philosophy and goals, the conference also praised the suppliers outperformed and/or contributed greatly in the aspects of quality improvement, cost reduction, delivery assurance, and sustainable performance.	
V. Does the Company use internationally accepted standards or guidelines for preparation of reports as reference in preparing the corporate sustainability report and other reports disclosing non-financial information of the Company? Are assurance or guarantee opinions from any third-party verifying agent acquired for the aforementioned reports?	V		The Company issued the Sustainability Report in June 2023. The reporting structure is based on the GRI Standards 2021 published by the Global Reporting Initiative (GRI), while complying with the requirements of "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEx Listed Companies" and adopting the "Task Force on Climate-related Financial Disclosures (TCFD)" and the "Sustainability Accounting Standards Board (SASB)." to improve the disclosure quality of the report, GREAT Certification Co., Ltd. was commissioned to conduct Type 1 moderate assurance level audit according to AA1000AS v3,to confirm the compliance with GRI Standards 2021 standards and obtain a statement of assurance.	There is no material deviation.
VI. In the event that the Company has established sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between the implementation and the established principles:				

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">The Company has formulated the Sustainable Development Best Practice Principles, and sticks to the provisions of laws and the Articles of Incorporation. The practices correspond to the core of the principles. There are no material differences.</td></tr>
<tr><td colspan="5">VII. Other information that enables a better understanding of the Company’s promotion of sustainable development:
(I) The Company is a member of the Responsible Business Alliance (RBA). The headquarters obtained the RBA silver certificate on May 18 2023, and the Suzhou Factory obtained the RBA silver certificate on September 12, 2023. The Company is committed to complying with its code of conduct, and fulfilling the corporate social responsibility by not using minerals mined in conflict-affected and high-risk areas against the background of armed conflicts and human rights violations. Compliance with the requirements of RBA/RMI (Responsible Minerals Initiative), and conducts due diligence on the production and sales of mineral sources in accordance with the “OECD Mineral Due Diligence Guide.” Meanwhile, the mineral procurement policies are communicated to suppliers and they are required to comply with policy requirements.
(II) The Company places great emphasis on the environment, safety, and heath. To ensure that the Company can control disasters and protect the safety of employees correctly, rapidly, and effectively when any significant abnormalities occur, we provide relevant employee education and training and have all employees practice how to use fire extinguishers, perform evacuation drills in case of disaster extension, etc.
(III) We arrange regular physical examinations and take out group insurance for employees.
(IV) The Regulations Governing the Prevention, Complaint and Processing of Sexual Harassment, and the Non-Discrimination Policy are posted at the workplace to protect gender equality in employment.
(V) May 22 is International Biodiversity Day. To support biodiversity, CviLux has made a commitment to manifest the attitude of protecting and fostering ecological environment via the supervision and promotion of sustainable corporate governance; we also advocate the following 22 actions to the employees for the biodiversity.
1. Clean the surrounding environment to prevent garbage from flowing into the river or wilds.
2. Rehabilitate an area and plant trees or plants to create habitats for creatures.
3. Take photos in nature without taking anything away.
4. Rescue animals, whether large or small.
5. Avoid spreading animal diseases.
6. Plant native plants.
7. Responsible consumption.
8. Save energy.
9. Share with others.
10. Purchase of bio-friendly products.
11. Help close relatives and friends maintain a healthy lifestyle, such as quitting smoking.
12. Enjoy the biodiversity in the city.
13. Support the ethical trade of bio-based products.
14. Change a habit that is harmful to biodiversity.</td></tr>
</table>

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	

15. Inquire corporates for their social responsibility performance.
16. Reduce unnecessary waste.
17. Understand biosafety.
18. Invest in biodiversity-friendly companies.
19. Support environmental organizations.
20. Raise awareness of biodiversity among relatives and friends.
21. Empower others.
22. Celebrate May 22, the Biodiversity Day.

(VI) The United Nations Sustainable Development Goals (SDGs) is a plan released by the United Nations in 2015. It proposes 17 sustainable development goals and 169 sub-goals, as the guiding principles of practicing sustainable development for each member state and corporates around the word before 2030.

CviLux has integrated the sustainable development goals into the Company’s business strategy, and expanded its previous focus on economic performance to take into account of environmental protection and other legal compliance, improving employee remuneration to retain outstanding talents, eliminating various unequal conditions in the workplace, and reducing emissions of waste, sewage and greenhouse gases, as well as inviting suppliers to work together on improving the environment and improving work conditions. Looking to the future, CviLux will continue to make more contributions to the sustainable development goals and fulfill its corporate social responsibility.

SDGs	**Sub-goals**	**Response from CviLux**
	4.7 Promote education for sustainable development, sustainable lifestyles, human rights, gender equality, and peace and non-violence.	• Continue the industry-academia cooperation with domestic colleges and universities to promote social employment.
	5.1 Elimination of any form of discrimination against women. 5.5 Ensure women's full participation in political, economic and public decision-making, and ensure that women have fair opportunities to participate in decision-making and leadership at all levels.	• Comply with relevant laws and regulations and international human rights conventions, such as gender equality, the right to work, and non-discrimination. • Configuring at least one female director .

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
8.4 Improve energy utilization and production efficiency. 8.5 Achieve full-scale productive employment, provide good jobs for both men and women, including young people and the physically and mentally disabled, and realize the equal pay for equal work. 8.7 Prohibition of child labor and elimination of oppressed labor. 8.8 Protect the rights and interests of workers and promote a safe working environment, especially for women and workers performing hazardous work.			• Reduce resource and energy consumption for products and services. • Respect internationally recognized labor rights, such as freedom of association, right to collective negotiation, concern for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and occupation discrimination, etc. • Provide employees with a safe and healthy working environment, including the provision of necessary health and first-aid facilities, and strive to reduce the risk factors to employees' safety and health to prevent occupational disasters. • Evaluate the impact of the Company's operations on the community, and appropriately hire human resources where the company operates to enhance community recognition. • The Company has established and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits)? Is the operating performance or results properly reflected in the remuneration for employees, to ensure the recruitment, retention, and encouragement of manpower.	

Item of Implementation	Implementation Status (Note 1)			Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	

 	9.5 Encourage innovation, increase the number of R&D personnel, and increase R&D expenditures.	• Increase the number of R&D team members and product patents year by year.
 	12.5 Substantially reduce the generation of waste through prevention, reduction, recycling, and reuse by 2030. 12.6 Encourage enterprises to adopt sustainable industrial and commercial practices, especially large-scale and multinational companies, and include sustainability information in their reporting cycles.	• Reduce the emission of pollutants, toxins and waste, and properly dispose of waste. • To improve the recyclability and reuse of raw materials or products. • The Company have a supplier management policy in place that requires suppliers to comply with the regulations concerning environmental protection, occupational health and safety, or labor rights? What is the status of its implementation.
 	13.3 In terms of risk reduction, adaptation, impact reduction and early warning for climate change, improve education, raise awareness, and enhance the capabilities of people and institutions.	• Formulate the Company’s energy saving and carbon reduction, as well as greenhouse gas reduction strategies based on the operating conditions and greenhouse gas inventory results, and incorporate the acquisition of carbon credits into the Company’s carbon reduction strategy planning and promote accordingly, to reduce the impact of the Company’s operations on the natural environment. • ISO 14064-1 was introduced for implementation.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5"><table><tr><td>
</td><td>16.6 Develop an effective, accountable and transparent system at all levels.
16.7 Ensure that decision-making at all levels responds to public opinion in an inclusive, participatory and representative manner.</td><td>• Risks and impact on the Company’s operations and financial condition arising from the implementation of corporate governance, the development of a sustainable environment, and the maintenance of social welfare.
• Through communication with stakeholders, we understand their requirements and expectations of the Company, and regularly report to the Board of Directors.</td></tr></table></td></tr>
</table>

Note 1: When “yes” is selected for the implementation status, please specify the important policies, strategies, and measures taken and the implementation status thereof; on the other hand, if “no” is selected, please describe the deviations, reasons, and plans regarding the future policies, strategies, and measures in the column of “Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof.”

Note 2: The materiality principle means that the issues related to the aspects of the environment, society, and corporate governance have a material impact on the Company’s investors and other stakeholders.

Climate-related information for TWSE/TPEx-listed companies

1 Climate-related information implementation

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	For CviLux, the climate risk management are mainly discussed and evaluated by the Sustainability Committee, and then the results of climate change resolutions are reported, through the accountable officers of the sustainability team for the implementation performance and suggestions of necessary improvement. The Company reports to the Board of Directors every year on a regular basis, makes amendments based on the opinions of the Board of Directors, and includes such in the issues related to climate change risk and the management goals thereof
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Referring to the impact of the issues in "Climate-Related Risks and Financial Impact Cases" in TCFD on the Company's strategy and planning, and conducting qualitative and quantitative analysis of climate-related scenarios to formulate corresponding measures. With reference to the 2°C scenario (2DS), the Company discussed the definition of short, medium and long-term period in the Sustainability Committee meeting, and the definition is as "1-5 years", "6-10 years", and "more than 10 years," respectively. Climate risk and opportunity assessment are conducted based on this period definition. The types of climate risks include transition risks and physical risks. They are further divided into policy and regulations, market, and immediate and long-term risks. Opportunities are divided into three types: resource efficiency, energy sources, and products and services.
3. Describe the financial impact of extreme weather events and transformative actions.	1. Disclosure of carbon emission information: The possible financial impact may include an increase in operating costs, a decrease in production value, and a decrease in revenue. The Company introduced the ISO 14064 system in 2021 to understand the carbon emission status of the production process and administration; the Company does not belong to a intensive carbon emission industry, so it will not significant affect the overall operating and financial impact. 2. Rising costs of raw materials: Due to climate change, including the pilot carbon tariff imposed by the European Union in 2023, the production costs of raw materials and transportation costs have increased, which in turn has an impact on operations. The Company has included ISO 14064 in the supplier evaluation to improve the resilience of the supply chain, and increase the number of local suppliers for procurement, to reduce the cost of raw material transportation.
4. Describe how climate risk	1. The Company has established the "Risk Management Policy and Procedures." The scope of risk

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>identification, assessment, and management processes are integrated into the overall risk management system.</td><td>management covers various risks faced in the course of business operations, including operational risks, climate change risks, information security risks, financial risks, supply chain risks, legal compliance risks; through the risk identification, at the aspects of finance, strategy, operation and disaster, each department conducts the quantitative assessment of the frequency, impact extent, and control of potential risks via the procedures of identification, analysis, and evaluation.
2. The Company's climate risk management process includes the following steps
<table>
<tr><td>Step1.</td><td>•The Sustainability Committee completes the collection of climate risk data
•Disclose the scope and climate risk assessment</td></tr>
<tr><td>Step2.</td><td>•Develop a list of climate risk and opportunity items</td></tr>
<tr><td>Step3.</td><td>•The Sustainability Committee conducts the analysis regarding the impacts from climate risks and opportunities on business operations
•Determine material risk items</td></tr>
<tr><td>Step4.</td><td>•Formulate countermeasures and set goals for material risks</td></tr>
<tr><td>Step5.</td><td>•Through the meetings of the Sustainability Committee, the implementation strategies and achievement of goals are managed and reviewed on the rolling basis</td></tr>
</table></td></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>The Company has not yet used the scenario analysis to evaluate.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the</td><td>The Company has no transition plan in response to climate-related risk management.</td></tr>
</table>

Item	Implementation Status
indicators and targets used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company has not yet set climate-related goals.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	According to the schedule stipulated in the Roadmap for Sustainable Development of TWSE/TPEx-Listed Companies, the GHG inventory for parent company only must be completed in 2026, and the assurance in 2028. Please refer to Table 1-1 below for the GHG inventory and assurance status; the Company is not yet required to disclose carbon reduction goals, strategies and concrete action plans.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Basic information of the company			Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed		
□ Capital of NT$10 billion or more, iron and steel industry, or cement industry □ Capital of NT$5 billion or more but less than NT$10 billion ■ Capital of less than NT$5 billion			□ Inventory for parent company only □ Inventory for all consolidated entities □ Assurance for parent company only □ Assurance for all consolidated entities Description: The Company disclosed the inventory and assurance for parent company only earlier than the requirement.		
Scope 1	Year	Total emissions	Intensity	Assurance body	Description of assurance
		Metric tons CO_2e	Metric Tons CO_2e/NT$ 1 million NT$		
CviLux Corporation	2021	30.5074	No statistical data available	SGS	The assurance body has adopted ISO 14064-3 standards for the assurance, and the assurance opinion is reasonable assurance
CviLux Corporation	2022	41.5486	0.017	DQSUL	The assurance body has adopted ISO 14064-3 standards for the assurance, and the assurance opinion is reasonable assurance
Scope 2	Year	Total emissions	Intensity	Assurance body	Description of assurance
		Metric tons CO_2e	Metric Tons CO_2e/NT$ 1 million NT$		
CviLux Corporation	2021	228.9	No statistical data available	SGS	The assurance body has adopted ISO 14064-3 standards for the assurance, and the assurance opinion is reasonable assurance
CviLux Corporation	2022	203.7935	0.085	DQSUL	The assurance body has adopted ISO

					14064-3 standards for the assurance, and the assurance opinion is reasonable assurance
Scope 3	Year	Total emissions	Intensity	Assurance body	Description of assurance
		Metric tons $CO_{2}e$	Metric Tons CO_2e/NT$ 1 million NT$		
CviLux Corporation	2021	228.9	No statistical data available	SGS	The assurance body has adopted ISO 14064-3 standards for the assurance, and the assurance opinion is limited assurance
CviLux Corporation	2022	37.2891	0.016	DQSUL	The assurance body has adopted ISO 14064-3 standards for the assurance, and the assurance opinion is limited assurance

(VII) Implementation of Corporate Ethical Management and Measures Taken: Implementation Status of Corporate Ethical Management, Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons for Such Deviations

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
I. Development of Ethical Management Policies and Programs (I) Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the senior management team demonstrated their commitments to implement the policies?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" based on the approval of the Board of Directors. The policies and measures of ethical management are specified in the internal regulations, and the policies are disclosed on the Company's website and MOPS.	There is no material deviation.
(II) Has the Company established an assessment mechanism for the risk of dishonest behaviors? Does the Company regularly analyze and assess business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonest behaviors, which at least covers Paragraph 2 of Article 7 in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to regulate the matters that the Company's personnel shall pay attention to when conducting business. The specific regulations prohibit the following behaviors: 1.Offering and acceptance of bribes. 2.Illegal political donations. 3.Improper charitable donations or sponsorship. 4.Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5.Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6.Engaging in unfair competitive practices. 7.Damage directly or indirectly caused to the rights or interests, health, or safety	There is no material deviation.

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
(III) Does the Company establish procedures, behavioral guidelines, disciplinary actions, and complaint systems in action plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?	V		We have established procedures, behavioral guidelines, disciplinary actions, and complaint systems in the "Procedures for Ethical Management and Guidelines for Conduct". Our Chairman's Office acts as the dedicated unit and amends the procedures according to laws.	There is no material deviation.
II. Implementation of Ethical Management (I) Does the Company assess the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements the Company signs with business partners?	V		Before establishing a new business relationship with a supplier, the Company first assesses the legitimacy and integrity policy of the counterparty, investigates whether it exhibits a history of dishonest conduct, and enters into the "Honesty, Integrity, and Confidentiality Commitment Letter" in which the integrity clauses are specified.	There is no material deviation.
(II) Has the Company set up a dedicated unit in charge of the promotion and execution of the Company's corporate conduct and ethics, and the report to the Board about any operation policies, plans, and supervision on integrity and prevention of dishonesty on a regular basis (at least once a year)?	V		The Chairman's Office is the dedicated unit in charge of the promotion and execution of the Company's corporate conduct and ethics. It reports non-compliance to the Board of Directors at least once a year or whenever it is required. In addition, the head of the Audit Office presents the audit report to the Board on a quarterly basis.	There is no material deviation.
(III) Does the Company have policies to prevent conflict of interest, provide adequate communication channels, and implement the policies?	V		The Company has established the "Code of Business Ethical Management," specifying the policies for preventing conflicts of interest: ● Where the personal interest and corporate interest conflict or appear to	There is no material deviation.

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			conflict with each other, there is conflict of interest. ● Do not conduct transactions or agreements with any internal or external parties that may create a conflict of interest ● Do not take advantage of the power, opportunity or method of their duties, nor through lobbying, solicitation, or other improper means to seek the interest of themselves or their related parties. All internal and external stakeholders may report any incident of violation of business ethics through the Company's communication procedures, relevant regulations for complaints and suggestions, and any channel Acceptance Unit: Taiwan headquarters, CviLux Corporation Contact number: 886-2-26201000 #11802 Whistle-blowing email: cg.law@cvilux-group.com	
(IV) Has the Company established effective accounting and internal control systems for the implementation of ethical management? Does the internal audit unit of the Company prepare audit plans according to the assessment result of dishonest risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance?	V		The Company has established a complete internal control system. The internal audit unit develops audit plans according to its regular risk assessments, performs audits as per the plans, and reports the audit results to the Board regularly.	There is no material deviation.
(V) Does the Company organize internal or external education and training on a regular basis to maintain business integrity?	V		The Chairman's Office mails regularly to the insiders for promoting regulatory attentions to be paid, such as ethics, integrity, and prohibition of insider	There is no material deviation.

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			trading, and arranges education and training in ethical management and insider trading prevention for employees at least once a year, and reports the implementation status of corporate ethical management to the Board of Directors once a year. The implementation of ethical management of the Company in 2023 includes the following: 1. Email letters concerning the matters of insider-related laws to be noticed were sent to the directors and managerial officers at the beginning of every month. 2. On February 17, 2023, April 20, 2023, July 24, 2023, and October 23, 2023, the Company informed the directors and insiders of the stock trading blocking period prior to the announcement of the financial report by e-mail to avoid accidental violation of insider trading bans. 3. The general courses of education and training for new hires cover the dissemination of important information about corporate governance, introduction to relevant management regulations (Procedures for Management of Internal Material Information and Operational Information, Corporate Governance Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, etc.) and so forth. There were 11 trainees in 2023, with each of them training for 6 hours; the training hours totaled 66 hours. 4. Mr. Kuo, Tsung-Lin, Vice Chairman of the Taiwan Investor Relations	

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			Institute, lectured for the training to all directors and senior executives on April 26, 2023. The theme was "Explanation of Corporate Sustainable Development and Governance Risk Practice." There were 12 people in the training, and each person received 3 hours of training, for a total of 36 hours. 5. The Chairman's Office - the legal affairs staff provided video education and training on legal affairs for employees from January 11, 2023 to June 30, 2023. For the course "Introduction of Intellectual Property Rights," there were 76 attendees, and each of them received 0.5 hour of training. The training hours totaled 38 hours. 6. The Chairman's Office provided video education and training on corporate governance for employees from October 12, 2023 to November 30, 2023. For the course "Ethical Management and Promotion for Preventing Insider Trading," each of the 66 trainees received one hour of training. The training hours totaled 66 hours. 7. The corporate governance officer made a report to the board of directors on the corporate governance and promotion of sustainability on July 12, 2023, including: the implementation of ethical management, risk management, and the promotion of sustainable development.	

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
III. Functioning of the Whistleblowing 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?	V		The Company has set up the "Regulations Governing the Processing of Reports of Illegal and Unethical or Dishonest Conduct". Convenient reporting channels have also been established with appropriate contact persons designated for different types of subjects against whom allegations of misconduct are made, such as the reporting mailbox regarding shareholders/investors, and the reporting mailbox regarding suppliers/customers/ internal employees.	There is no material deviation.
(II) Has the Company developed any standard investigation procedures for reported misconduct and relevant mechanisms for confidentiality?	V		The Company has developed the "Regulations Governing the Processing of Reports of Illegal and Unethical or Dishonest Conduct" in which the handling procedures for reported matters and the mechanisms for confidentiality are specified. The handling procedures are described as below: 1. The whistleblower must make the whistleblower report through the channels set forth in Article 4 of said regulations with their name provided, and give sufficient information for further investigation (including the name, phone number, unit, and position of the person(s) involved, the process, time, location of the incident, and the evidence as well as description that can demonstrate the fact of illegal conduct or negligence of duty). The handling unit shall understand the intention of the report and investigate the specific evidence. In principle, anonymous reports will not be accepted. When investigation is considered necessary for such	There is no material deviation.

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			allegations, however, the Company may still assign specific personnel to handle the matters and take the cases as reference for internal review. 2. In order to protect the rights of the subject against whom the allegation of misconduct is made, the Company shall give such a person the opportunity to speak. A review meeting is convened when necessary. 3. The whole report handling process must be kept confidential, and the investigation shall be conducted by an independent channel (audit unit) to fully protect the identity of the whistleblower. 4. Documentation of report acceptance, investigation processes, and results shall be retained for at least five years and may be retained electronically. The Company shall carry out the responsibility of such retention. In the event of a suit in respect of the whistleblowing case, the relevant information shall continue to be retained until the conclusion of the litigation. 5. A confirmed report with circumstances deemed serious will not only be handled as per the laws or the relevant bylaws of the Company, but also be disclosed on MOPS. Meanwhile, the whistleblower will be given with appropriate incentives.	
(III) Has the Company adopted any measures to protect whistleblowers from being improperly handled due to whistleblowing?	V		It is specified in the “Regulations Governing the Processing of Reports of Illegal and Unethical or Dishonest Conduct” of the Company that the whole report handling process must be kept confidential, and the investigation shall	There is no material deviation.

Item for Evaluation	Implementation Status			Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary	
			be conducted by an independent channel (audit unit) to fully protect the identity of the whistleblower. The Company has established the "Whistleblower Protection and Anti-Vengeance Regulations" to ensure employees, suppliers, and other internal and external whistleblowers can exercise their whistleblowing rights according to laws, and protect their legal intetest.	
IV. Enhancement of Information Disclosure (I) Has the Company disclosed its ethical management principles and implementation results on the website and MOPS?	V		The Company's "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and the information on ethical management is disclosed through the Company's website, MOPS, and the media in a timely manner.	There is no material deviation.
V. In the event that the Company has established ethical management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between the implementation and the established principles: None.				
VI. Other information that enables a better understanding of the Company's implementation of ethical management: The Company has assigned specific personnel as permanent contact persons for communication with customers to keep track of the changes of customers. The ethical management of both sides is ensured through the thorough mechanism. Also, we have always paid attention to the laws and regulations related to ethical management, thereby reviewing and improving our relevant bylaws to enhance the effectiveness of the Company's ethical management.				

(VIII) If the Company has established corporate governance principles and relevant regulations, the ways through which they can be searched for shall be disclosed:

There are an “Investors Section” and “Corporate Governance” page set up on our official website for the investors to search for our regulations related to corporate governance, introduction to our Board of Directors and functional committees, and information about the communication between our independent directors and internal chief auditor/CPAs, etc.

(IX) Other information that enables a better understanding of the Company’s corporate governance:

1. Managerial Officers (presidents, vice presidents, chief accounting officer, chief financial officer, internal chief auditor, etc.) and Their Participation in Continuing Education and Training Related to Corporate Governance:

Title	Name	Course Date	Course Name	Course Hours
Chief Sustainability Officer:	Steve Yang	April 26, 2023	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Budget, profit center and KPI formulation	3
CEO	Lawrence Yang	April 26, 2023	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Budget, profit center and KPI formulation	3
President	Glen Chu	April 26, 2023	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		August 9, 2023	Budget, profit center and KPI formulation	3
President	Alex Huang	April 26, 2023	Analysis of 2023 New Version of Corporate Governance and Board Performance Evaluation Practice	3
		June 8, 2023	Trends in the global economy and industrial technology	3
Chief Financial Officer	Weiling Yuan	May 11, 2023; May 12, 2023	Continuing Education Program for the Accounting Managers of Issuers, Securities Firms, and Securities Exchanges	12
Chief Auditor	Lucy Chen	June 6, 2023	Corporate governance competency required by internal auditors and financial reporting risk assessment practices	6
		August 17,	"Information Security Protection" and "Cloud	6

Title	Name	Course Date	Course Name	Course Hours
		2023	Security" Audit Practice	
		September 8, 2023	How to use big data to strengthen audit operations	6
		September 13, 2023 September 20, 2023 October 4, 2023	(CIA Section 1) Series of Internal Audit Core Knowledge and Skills: The Nature of Internal Auditing	18
		October 27, 2023	Seminars on key points of "Execution of Sustainable ESG by Enterprises" and "Practice of Integrating and Applying the Internal Audit and Control"	6
Chief Corporate Governance Officer	Maggie Wang	April 27, 2023	Promotional Seminar of Sustainable Development Action Plan for TWSE/TPEx-listed Companies	3
		August 9, 2023	Budget, profit center and KPI formulation	3
		September 1, 2023	Exert the professional functions of independent directors with a profit-seeking mindset	3
		November 24, 2023	How to use Excel for corporate valuation and IR management	3
		December 14, 2023	Analysis of the Key Points of Corporate Governance Evaluation to be Noted by Directors and Supervisors	3

(X) Implementation of the Internal Control System:

1. Statement on Internal Control: 2023 Statement on Internal Control System; please refer to the appendix on Page 193.
2. If review of the internal control system has been conducted by CPAs, the CPAs' review report must be disclosed: None.

(XI) In the most recent year and up to the publication date of the annual report, the punishments received by the Company and its internal personnel in accordance with laws, or the punishments imposed on the internal personnel violating internal control system regulations, material deficiencies, and improvements by the Company: None.

(XII) Major resolutions of the Board and the shareholders' meetings in the most recent year and up to the publication date of the annual report:

Major Resolutions of the Board Meetings		
Date	Proposal	Resolution
2023.12.27	1. Purchase of 2024 liability insurance for directors.	The proposal was approved by all attending directors when the

Major Resolutions of the Board Meetings		
Date	Proposal	Resolution
		chairperson asked for their opinions.
	2. Policies, systems, standards, and structures of remuneration to directors and managerial officers.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	3. Capital increase of the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	4. The Company intends to increase the amount of investment in Vietnam	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	5. Provision of endorsement/guarantee for the affiliate CviCloud Corporation.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	6. Amendment to the Regulations Governing the Distribution of Employee Remuneration to Managerial Officers	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.11.08	1. Chang registration for capital increase by conversion of unsecured convertible corporate bonds in Q3 2023	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. Loaning of funds amounting to USD2 million to the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.08.09	1. The Company has established the "Operating Procedures for Preparation and Verification of Sustainability Report"	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. Application for the limit of endorsement/guarantee for the subsidiary CviLux Electronics (Dongguan) Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.07.12	1. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. The third tier subsidiary of the Company, CviLux Technology (Shenzhen) Corporation intends to invest for establishing Yuan Han Sensing Technology (Dongguan) Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.05.09	1. Loaning of funds amounting to USD1.5 million to the fourth tier subsidiary, CviLux Lao Co., Ltd.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. Proposal for amendment of the Company's "Articles of Incorporation".	The proposal was approved by all attending directors when the chairperson asked for their opinions.

Major Resolutions of the Board Meetings		
Date	Proposal	Resolution
	3. Proposal for the intended private placement of common shares	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.04.26	1. Proposal for amendment of the Company's "Articles of Incorporation".	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. Proposal to amend the Company's "Operational Procedures for Loaning of Funds to Others"	The proposal was approved by all attending directors when the chairperson asked for their opinions.
2023.03.22	1. 2021 earnings distribution.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	2. Determination of the amount and distribution methods of remuneration to employees and directors for 2021.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	3. Review of the independence and performance evaluation of CPAs for 2021.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	4. "2022 Statement on Internal Control System" of the Company.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	5. Organization of the 2022 shareholders' meeting.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	6. Provision of endorsement/guarantee for the affiliate CviCloud Corporation.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	7. Provision of endorsement/guarantee for the affiliate CviCloud Corporation.	The proposal was approved by all attending directors when the chairperson asked for their opinions.
	8. Provision of endorsement/guarantee for the affiliate CviMall International Corporation.	The proposal was approved by all attending directors when the chairperson asked for their opinions.

Major Resolutions of the Shareholders Meetings			
Date	Proposal	Resolution	Implementation Status
2023.06.20 Shareholders Meetings	1. Ratification of the 2022 business report and final settlement report.	The proposal from the Board of Directors was put to a vote and further approved.	Approved.
	2. Ratify the 2022 earnings distribution.	The proposal from the Board of Directors was put to a vote and	Approved. The amount of cash dividends for shareholders was

Major Resolutions of the Shareholders Meetings			
Date	Proposal	Resolution	Implementation Status
		further approved.	NT$157,906,826, and was distributed on August 31, 2023.
	3. By-election for one independent director of the 12th term	It was approved, through voting, that	Mr. Wei-Bo Lin, was elected as the Independent Director
	4. Proposal for amend the Company's "Articles of Incorporation".	The proposal was put to a vote and further approved.	The amendments to the "Articles of Incorporation" took effect on June 20, 2023
	5. Proposal to amend the Company's "Operational Procedures for Loaning of Funds to Others"	The proposal was put to a vote and further approved.	The amendments to the Company's "Operational Procedures for Loaning of Funds to Others" took effect on June 20, 2023.
	6. Proposal for the intended private placement of common shares	The proposal was put to a vote and further approved.	Not yet implemented

(XIII) Records or written statements made by any director or supervisor who expressed dissent to major resolutions adopted by the Board of Directors in the most recent year and up to the publication date of the annual report: None.

(XIV) Summary of resignation and dismissal of the Company's Chairman, presidents, chief accounting officer, chief financial officer, internal chief auditor, chief corporate governance officer, and chief R&D officer in the most recent year and up to the publication date of the annual report:

Summary of resignation and dismissal of relevant personnel of the Company

April 30, 2024

TITLE	NAME	DATE TAKING OFFICE	DATE OF DISMISSAL	REASONS FOR RESIGNATION OR DISMISSAL
Assistant Vice President	Chiu, Hsien-Yu	August 1, 2022	December 31, 2023	Resigned from the position of AVP for personal reasons

Note: Personnel related to the Company refer to the Chairman, President, Accounting Officer, Financial Officer, Internal Auditor, Corporate Governance Officer, and R&D Officer, etc.

V. Information on CPAs' Professional Fees (Please specify the amount)

Unit: NT$ thousand

Name of CPA firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fees	Total

KPMG	Tang, Chia-Chien	2023.1.1~2023.12.31	4,700	1,040	5,740
	Huang, Ming-Hong	2023.1.1~2023.12.31			

The non-audit fees include NT$340 thousand for tax compliance audit, NT$650 thousand for transfer pricing reports, and NT$50 thousand for the checklist of remuneration to non-managerial employees.

VI. Information on Change of CPAs: The original CPAs for the Company were Tang, Chia-Chien and Su, Yen-Ta. Due to the job rotation at the CPA firm, however, the CPAs for the audit of the Company's 2023 financial statements were changed to Tang, Chia-Chien and Huang, Ming-Hong

VII. CPA firm or its affiliates at which the Company's Chairman, presidents, or managerial officers responsible for financial or accounting matters were once an employee thereof in the most recent year: None.

VIII. Details of Equity Transferred or Pledged by Directors, Supervisors, Managerial Officers, or Shareholders With More Than 10% Ownership Interest in the Most Recent Year and up to the Publication Date of the Annual Report

(I) Details of equity transferred or pledged by directors, supervisors, managerial officers, or shareholders with more than 10% ownership interest in the most recent year and up to the publication date of the annual report:

Changes in Equity of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: share

Title	Name	2023		2024Up to April 22	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged
Chairman	YANGTEK CORPORATION Rep.: Steve Yang	899,851	0	5,000	0
Director	Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	0	0	0	0
Director and President of Connector Business Unit	Alex Huang	1,743	0	1,795	0
Director and CEO of the Group	Lawrence Yang	6,743	0	4,795	0
Independent Director	Yinchun Chuang	0	0	0	0
Independent Director	Shuling Lin				
Independent Director	Alan Yu				
Representative of corporate shareholder and CSO of the Group	Steve Yang	1,937	0	1,995	0
Representative of a Juridical Person and President of the Group	Glen Chu	1,840	0	1,895	0

Title	Name	2023		2024Up to April 22	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged
Assistant Vice President	Johnson Hsu	1,453	0	1,496	0
Assistant Vice President	Tsai, Gen-Sheng	1,356	0	1,396	
Assistant Vice President	Chiu, Hsien-Yu	1,356	0	(Note. 3)	
Chief Financial Officer	Weiling Yuan	1,162	0	1,197	0
Chief Corporate Governance Officer	Maggie Wang	1,065	0	1,197	0

Note 1: As the Company has set up the Audit Committee, there are no supervisors.
Note 2: Any shareholder with more than 10% ownership interest shall be specified as a major shareholder and listed separately.
Note 3: Mr. Chiu, Hsien-Yu was relieved of his position as manager on 2023/12/31.

(II) Information on transfer of equity by a director, supervisor, managerial officer, or major shareholder with more than 10% ownership interest for a related party in the most recent year and up to the publication date of the annual report: None.

(III) Information on pledge of equity by a director, supervisor, managerial officer, or major shareholder with more than 10% ownership interest for a related party in the most recent year and up to the publication date of the annual report: None.

IX. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship with another:

Relationship information, if among the 10 largest shareholders any one is in a specific relationship with another

NAME (NOTE 1)	SHAREHOLDER HELD BY THE SHAREHOLDER		SHARES HELD BY SPOUSE OR MINOR CHILDREN		SHARES HELD IN THE NAMES OF OTHERS		The title or name and relation of the 10 largest shareholders who are related parties to each other, in a spousal relationship, or within the second degree of kinship. (Note 3)		NOTE
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name	Relationship	
YANGTEK CORPORATION	6,883,000	8.40	0	0	0	0	None	None	
Rep.: Steve Yang	112,565	0.14	0	0	0	0	None	None	
ACTIVE CORPORATION	3,007,000	3.67	0	0	0	0	None	None	
YANG PLUS CORPORATION	2,420,000	2.95	0	0	0	0	None	None	
Chuan Kai Investment Co., Ltd.	1,969,091	2.49	0	0	0	0	None	None	
Rep.: Glen Chu	1,956,719	2.39	364,817	0.46	0	0	None	None	
Glen Chu	1,956,719	2.39	364,817	0.46	0	0	None	None	
Trust property account in custody of Hua Nan Commercial Bank—Steve Yang	1,300,000	1.59	0	0	0	0	None	None	
Ye, Zhengyi	1,086,000	1.32	0	0	0	0	None	None	Note 4
Citi custodians UBS Europe SE Investment Account	897,875	1.10	0	0	0	0	None	None	Note 4
Chou, Shu-Hung	855,000	1.08	0	0	0	0	None	None	Note 4
Chou, Hsin-Yi	855,000	1.08	0	0	0	0	None	None	Note 4

Note 1: The 10 largest shareholders shall all be specified. For an institutional shareholder, the name of institutional shareholder and the representative shall be listed separately.

Note 2: The shareholding ratio is calculated based on the shares held by the person and his/her spouse or minor children, or held by the person under others' names.

Note 3: The relationships between the aforementioned shareholders, including juridical persons and natural persons, shall be disclosed as per the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: Since the shareholder is not an insider, the information disclosed is based on the information that the Company can obtain.

X. The Total Number of Shares and Total Equity Stake Held in the Same Investee by the Company, its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2023/Unit: share

Investee	Investment of the Company		Investment of Directors, Supervisors, Managerial Officers, and Directly or Indirectly Controlled Business		Aggregate Investment	
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio
CONTEC (B.V.I.) Corp.	15,265,948	100%	0	0	15,265,948	100%
CviLux (B.V.I.) Corp.	11,102,371	100%	0	0	11,102,371	100%
HICON (B.V.I.) Corp.	10,370,000	100%	0	0	10,370,000	100%
Dongguan Qunhan Electronics Co., Ltd.	25,590,000	100%	0	0	25,590,000	100%
CviLux Technology (Suzhou) Co., Ltd.	6,620,000	100%	0	0	6,620,000	100%
CviLux Electronics (Dongguan) Co., Ltd.	9,000,000	100%	0	0	9,000,000	100%
CviLux Technology (Chongqing) Corporation	8,750,000	100%	0	0	8,750,000	100%
CviLux Technology (Shenzhen) Corporation	2,000,000	100%	0	0	2,000,000	100%
CviCloud (SZ) Limited	1,890,000	100%	0	0	1,890,000	100%
CviCloud Corporation	11,514,800	100%	0	0	11,514,800	100%
Anhui CviLux Technology Co., Ltd.	10,000,000	100%	0	0	10,000,000	100%
CviLux Lao Co., Ltd	-	92.59%	0	0	-	92.59%
CviLux USA Corporation	100,000	100%	0	0	100,000	100%
CviMall International Corporation	2,999,900	100%	0	0	2,999,900	100%
Shanghai Han Duo Trading Co., Ltd.	-	0%	0	0	-	0%
Cvilux KOREA Corporation	35,000	100%	0	0	35,000	100%
Shenzhen Recon Health Care Cloud Tech. Co., Ltd.	2,000,000	25.87%	0	0	2,000,000	25.87%
Yuan Han Sensing Technology (Dongguan) Co., Ltd.	2,000,000	19.98%	0	0	2,000,000	19.98%

Note: The Company's investment under the equity method.

Four. Fundraising Status

I. Corporate Capital and Shares

(I) Sources of Capital:

April 30, 2024/Unit: thousand shares; NT$ thousand

MM/YY	Issue price	Authorized Capital		Paid-in Capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital (amount)	Investment by Property Other Than Cash	Others: Effective Date and Document Number
03.1990	10	500	5,000	500	5,000	Capital for Establishment		Jian (I) Zi No. 092372
07.1996	10	2,000	20,000	2,000	20,000	Follow-on offering valued at NT$15,000 thousand.		Jian (I) Zi No. 85309736
07.1997	10	4,000	40,000	4,000	40,000	Follow-on offering valued at NT$20,000 thousand.		Jian (I) Zi No. 86298594
08.1999	10	7,000	70,000	7,000	70,000	Follow-on offering valued at NT$30,000 thousand.		Jing (88) Zhong Zi No. 670430
08.2000	10	8,150	81,500	8,150	81,500	Follow-on offering valued at NT$6,500 thousand. Capitalization of earnings valued at NT$5,000 thousand.		Jing (89) Zhong Zi No. 89475939
10.2000	10	11,750	117,500	11,750	117,500	Follow-on offering valued at NT$36,000 thousand.		Jing (089) Shang Zi No. 089143529
08.2001	10	12,925	129,250	12,925	129,250	Capitalization of earnings valued at NT$11,750 thousand.		Jing (90) Shang Zi No. 09001324910
08.2002	10	35,000	350,000	20,000	200,000	Follow-on offering valued at NT$57,225 thousand. Capitalization of earnings valued at NT$12,925 thousand. Employee bonuses valued at NT$600 thousand.		Jing-Shou-Shang-Zi No. 09101308190
10.2003	10	35,000	350,000	23,423	234,230	Capitalization of earnings valued at NT$30,000 thousand. Employee bonuses valued at NT$4,230 thousand.		Jing-Shou-Zhong-Zi No. 09232871600
09.2004	10	45,000	450,000	26,168	261,683	Capitalization of earnings valued at NT$23,423 thousand. Employee bonuses valued at NT$4,030 thousand.		Jing-Shou-Zhong-Zi No. 09332645760
04.2005	10	45,000	450,000	28,558	285,578	Conversion of corporate bonds valued at NT$23,895 thousand.		Jing-Shou-Zhong-Zi No. 09431979650
07.2005	10	45,000	450,000	28,740	287,403	Conversion of corporate bonds valued at NT$1,825 thousand.		Jing-Shou-Zhong-Zi No. 09432494220
09.2005	10	45,000	450,000	32,130	321,300	Capitalization of earnings valued at NT$30,407 thousand. Employee bonuses valued at NT$3,490 thousand.		Jing-Shou-Zhong-Zi No. 09432757470
10.2005	10	45,000	450,000	32,332	323,316	Conversion of corporate bonds valued at NT$2,016 thousand.		Jing-Shou-Zhong-Zi No. 09433010220
01.2006	10	45,000	450,000	38,794	387,939	Conversion of corporate bonds valued at NT$64,623 thousand.		Jing-Shou-Zhong-Zi No. 09531580400
04.2006	10	45,000	450,000	39,114	391,140	Conversion of corporate bonds valued at NT$3,201 thousand.		Jing-Shou-Zhong-Zi No. 09531958470
09.2006	10	60,000	600,000	43,474	434,744	Capitalization of earnings valued at NT$39,114 thousand. Employee bonuses valued at NT$4,490 thousand.		Jing-Shou-Zhong-Zi No. 09532782370
01.2007	10	60,000	600,000	43,736	437,356	Conversion of corporate bonds valued at NT$2,612 thousand.		Jing-Shou-Zhong-Zi No. 09631559700
04.2007	10	60,000	600,000	44,940	449,403	Conversion of corporate bonds valued at NT$12,047 thousand.		Jing-Shou-Zhong-Zi No. 09631977420
08.2007	10	60,000	600,000	45,888	458,885	Conversion of corporate bonds valued at NT$9,482 thousand.		Jing-Shou-Zhong-Zi No. 09632649130
09.2007	10	80,000	800,000	51,710	517,100	Capitalization of earnings valued at NT$45,862 thousand. Employee bonuses valued at NT$5,270 thousand. Conversion of corporate bonds valued at NT$7,082 thousand.		Jing-Shou-Shang-Zi No. 09601223930
01.2008	10	80,000	800,000	53,893	538,929	Conversion of corporate bonds valued at NT$21,830 thousand.		Jing-Shou-Shang-Zi No. 09701012770
04.2008	10	80,000	800,000	53,909	539,089	Conversion of corporate bonds valued at NT$159 thousand.		Jing-Shou-Shang-Zi No. 09701085740
07.2008	10	80,000	800,000	53,983	539,831	Conversion of corporate bonds valued at NT$742 thousand.		Jing-Shou-Shang-Zi No. 09701183110

MM/YY	Issue price	Authorized Capital		Paid-in Capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Capital (amount)	Investment by Property Other Than Cash	Others: Effective Date and Document Number
09.2008	10	80,000	800,000	60,010	600,095	Capitalization of earnings valued at NT$54,011 thousand. Employee bonuses valued at NT$6,200 thousand. Conversion of corporate bonds valued at NT$53 thousand.		Jing-Shou-Shang-Zi No. 09701244560
01.2009	10	80,000	800,000	60,046	600,461	Conversion of corporate bonds valued at NT$366 thousand.		Jing-Shou-Shang-Zi No. 09801011700
09.2009	10	80,000	800,000	63,251	632,510	Capitalization of earnings valued at NT$28,775 thousand. Conversion of corporate bonds valued at NT$3,274 thousand.		Jing-Shou-Shang-Zi No. 09801212130
01.2010	10	80,000	800,000	63,684	636,845	Conversion of corporate bonds valued at NT$4,335 thousand.		Jing-Shou-Shang-Zi No. 09901011110
04.2010	10	80,000	800,000	64,011	640,115	Conversion of corporate bonds valued at NT$3,270 thousand.		Jing-Shou-Shang-Zi No. 09901072390
07.2010	10	100,000	1,000,000	64,038	640,381	Conversion of corporate bonds valued at NT$266 thousand.		Jing-Shou-Shang-Zi No. 09901158870
09.2010	10	100,000	1,000,000	67,115	671,150	Capitalization of earnings valued at NT$30,769 thousand.		Jing-Shou-Shang-Zi No. 09901212110
10.2010	10	100,000	1,000,000	67,140	671,400	Conversion of corporate bonds valued at NT$250 thousand.		Jing-Shou-Shang-Zi No. 09901235620
09.2011	10	100,000	1,000,000	69,264	692,642	Capitalization of earnings valued at NT$20,142 thousand. Conversion of corporate bonds valued at NT$1,100 thousand.		Jing-Shou-Shang-Zi No. 10001201800
04.2012	10	100,000	1,000,000	71,379	713,790	Conversion of corporate bonds valued at NT$21,148 thousand.		Jing-Shou-Shang-Zi No. 10101063790
07.2012	10	100,000	1,000,000	72,396	723,958	Conversion of corporate bonds valued at NT$10,168 thousand.		Jing-Shou-Shang-Zi No. 10101148320
10.2012	10	100,000	1,000,000	73,949	739,490	Conversion of corporate bonds valued at NT$15,532 thousand.		Jing-Shou-Shang-Zi No. 10101216110
01.2013	10	100,000	1,000,000	73,970	739,702	Conversion of corporate bonds valued at NT$212 thousand.		Jing-Shou-Shang-Zi No. 10201008550
04.2013	10	100,000	1,000,000	74,843	748,426	Conversion of corporate bonds valued at NT$8,724 thousand.		Jing-Shou-Shang-Zi No. 10201064520
07.2013	10	100,000	1,000,000	74,922	749,216	Conversion of corporate bonds valued at NT$790 thousand.		Jing-Shou-Shang-Zi No. 10201127220
10.2013	10	100,000	1,000,000	74,938	749,380	Conversion of corporate bonds valued at NT$164 thousand.		Jing-Shou-Shang-Zi No. 10201211070
01.2014	10	100,000	1,000,000	75,004	750,038	Conversion of corporate bonds valued at NT$658 thousand.		Jing-Shou-Shang-Zi No. 10301009340
04.2014	10	100,000	1,000,000	75,191	751,913	Conversion of corporate bonds valued at NT$,875 thousand.		Jing-Shou-Shang-Zi No. 10301067030
07.2014	10	100,000	1,000,000	75,524	755,235	Conversion of corporate bonds valued at NT$3,322 thousand.		Jing-Shou-Shang-Zi No. 10301130920
10.2014	10	100,000	1,000,000	75,898	758,979	Conversion of corporate bonds valued at NT$3,744 thousand.		Jing-Shou-Shang-Zi No. 10301214970
01.2015	10	100,000	1,000,000	76,279	762,789	Conversion of corporate bonds valued at NT$3,810 thousand.		Jing-Shou-Shang-Zi No. 10401007030
04.2015	10	100,000	1,000,000	76,571	765,714	Conversion of corporate bonds valued at NT$2,925 thousand.		Jing-Shou-Shang-Zi No. 10401061380
07.2015	10	100,000	1,000,000	78,269	782,687	Conversion of corporate bonds valued at NT$16,973 thousand.		Jing-Shou-Shang-Zi No. 10401148170
08.2016	10	100,000	1,000,000	81,399	813,994	Capitalization of earnings valued at NT$31,307 thousand.		Jing-Shou-Shang-Zi No. 10501210800
10.2020	10	100,000	1,000,000	78,953	789,534	Capital reduction through cancellation of treasury shares valued at NT$24,460 thousand.		Jing-Shou-Shang-Zi No. 10901178520
07.2023	10	150,000	1,500,000	78,953	789,534	Amendment to the Articles of Incorporation to increase the total capital		Jing-Shou-Shang-Zi No. 11230125650
12.2023	10	150,000	1,500,000	78,956	789,560	Conversion of corporate bonds 26		Jing-Shou-Shang-Zi No. 11230225830
04.2024	10	150,000	1,500,000	79,843	798,431	Conversion of corporate bonds 8,871		Jing-Shou-Shang-Zi No. 11330052640

Note 1: The figures shall be the data of the year and up to the publication date of the annual report.
Note 2: For new capital, the effective date (approval date) and approval document number shall be provided.
Note 3: Shares issued at a price lower than the par value shall be marked notably.
Note 4: Investment by currency claims and technologies shall be specified with additional notes of the type and amount provided.

Note 5: Private placement shall be marked notably.

April 22, 2024/Unit: share

Types of Shares	Authorized Capital			Note
	Outstanding shares (shares of listed companies)	Unissued Shares	Total	
Registered Common Shares	81,967,993	68,032,007	150,000,000	Including 1,500,000 Shares Reserved for Issuing Warrants

(II) Structure of the Shareholders:

April 22, 2024

Shareholder Structure / Quantity	Governmental Agencies	Financial Institutions	Other Juristic Persons	Individual	Foreign Institutions and Foreigners	Total
Number of Persons	0	8	238	25,878	103	26,227
Shares Held	0	723,352	18,264,985	50,389,439	12,590,217	81,967,993
Shareholding Ratio	0.00	0.88	22.28	61.48	15.36	100.00

(III) Distribution of Equity:

April 22, 2024

Shareholding Range	Number of Shareholders	Shares Held	Shareholding Ratio (%)
1 to 999	18,471	420,503	0.51
1,000 to 5,000	6,089	11,711,828	14.29
5,001 to 10,000	802	6,132,248	7.48
10,001 to 15,000	281	3,533,588	4.31
15,001 to 20,000	164	3,010,962	3.67
20,001 to 30,000	153	3,806,631	4.64
30,001 to 40,000	67	2,333,349	2.85
40,001 to 50,000	37	1,722,204	2.10
50,001 to 100,000	78	5,548,425	6.77
100,001 to 200,000	30	4,068,283	4.96
200,001 to 400,000	24	6,261,690	7.64
400,001 to 600,000	12	5,695,113	6.95
600,001 to 800,000	8	5,655,484	6.90
800,001 to 1,000,000	4	3,445,875	4.20
1,000,001 or More	7	18,621,810	22.72
Total	26,227	81,967,993	100.00%

(IV) List of Major Shareholders:

Names of the shareholders with more than 5% ownership interest or the 10 largest shareholders, and the number and ratio of shares held:

April 22, 2024/Unit: share

Name of Major Shareholder \ Shares	Shares Held	Shareholding Ratio (%)
YANGTEK CORPORATION	6,883,000	8.40
ACTIVE CORPORATION	3,007,000	3.67
YANG PLUS CORPORATION	2,420,000	2.95
Chuan Kai Investment Co., Ltd.	1,969,091	2.40
Glen Chu	1,956,719	2.39
Trust property account in custody of Hua Nan Commercial Bank—Steve Yang	1,300,000	1.59
Ye, Zhengyi	1,086,000	1.32
Citi custodians UBS Europe SE Investment Account	897,875	1.10
Chou, Shu-Hung	855,000	1.04
Chou, Hsin-Yi	855,000	1.04

(V) Information on market price, net worth, earnings, and dividend per share in the most recent two years:

Item \ Year			2022	2023	Current year up to March 31, 2024 (Note 8)
Market Price Per Share (Note 1)	Highest		56.20	45.35	49.20
	Lowest		28.40	30.65	40.55
	Average		38.68	37.58	45.28
Net Worth Per Share (Note 2)	Before Distribution		38.82	38.95	—
	After Distribution		36.82	36.82	—
Earnings Per Share	Weighted Average Number of Shares		78,953	78,953	—
	Earnings Per Share (Note 3)	Before Retrospective Adjustments	4.20	2.76	—
		After Retrospective Adjustments	3.67	2.44	—
Dividends Per Share	Cash Dividends		2.00	1.38 (Description 1)	—
	Stock Dividends	From Retained Earnings	—	—	—
		From Capitalization of Surplus	—	—	—
	Accumulated Unpaid Dividends (Note 4)		—	—	—
ROI Analysis	P/E Ratio (Note 5)		9.21	13.62	—
	P/D Ratio (Note 6)		19.34	27.23	—
	Cash Dividend Yield (Note 7)		5.17%	3.67%	—

* Where the earnings or surplus are used for capital increase or issuance of bonus shares, the information on the market price and cash dividend adjusted retrospectively according to the number of issued shares shall be disclosed.

Note 1: State the highest and lowest market prices for the common shares, and calculate the average market price for each year based on the trading value and trading volume of each year.

Note 2: The data shall be based on the number of shares issued as of the end of the year and the distribution under the resolution of the Board of Directors or the shareholders meeting in the following year.

Note 3: If it is necessary to make adjustment retrospectively due to distribution of stock dividends, the earnings per share before and after the adjustment shall be specified.

Note 4: If the equity securities issuance terms and conditions provide that the dividends undistributed in the year may be accumulated until the year in which earnings distributable are generated, the accumulated unpaid dividends as of the current year shall be disclosed.

Note 5: P/E Ratio = Average closing price per share for the year/Earnings per share.

Note 6: P/D Ratio = Average closing price per share for the year/Cash dividend per share.

Note 7: Cash Dividend Yield = Cash dividend per share/Average closing price per share for the year.

Note 8: Please identify the net worth per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor up to the publication date of the annual report, and provide the information of the year and up to the publication date of the annual report in the other fields.

Description 1: The dividend distribution for 2023 was approved by the Board of Directors on March 14, 2024 and would be reported in the shareholders' meeting.

Description 2: As of the publication date of the annual report, there was no audited financial information for the Q1 2024.

(VI) Dividend Policy and its Implementation:

1. Dividend Policy Stipulated in Articles of Incorporation:

   Article 19-1 of the Company's Articles of Incorporation: If the Company has a profit at the year's final accounting, it shall first pay taxes and make up any losses from past years, and then make a contribution of 10% to the balance of the statutory reserve. Special reserves may be set aside as per the relevant laws and regulations, and the remaining profits distributable (if any) may be added to undistributed earnings at the beginning of the period and shall be proposed for distribution by the Board of Directors. Where a proportion of the profits are to be reserved, the motion shall be submitted to the shareholders meeting for resolution.

   The dividend policy of the Company is adopted in consideration of the current and future development plans, investment environment, financing needs, and domestic and international competition, as well as the shareholders' interests and other factors. The shareholders' dividends allocated shall not be less than 15% of the distributable profits of the year.

   The dividends allocated to shareholders may be paid in shares or cash, and cash dividends shall not fall below 10% of total dividends allocated to shareholders.

2. Implementation:

   The earnings in 2023, totaling NT$110,183,579, were resolved to be distributed in cash dividends of NT$1.38 per share by the Board of Directors on March 14, 2024. The resolution will be submitted to the shareholders meeting for approval.

(VII) Effect upon business performance and earnings per share of any stock dividends distribution proposed or adopted at this shareholders meeting: Not applicable; no stock dividends distributed by the Company for the year.

(VIII) Remuneration to Employees, Directors, and Supervisors:

1. The percentage or scope of the remuneration to employees, directors, and supervisors according to the Articles of Incorporation:

   Article 19 of the Company's Articles of Incorporation: Profits concluded by the Company in a fiscal year are subject to employee remuneration of 5%–12%, and director remuneration of no more than 3%. However, if the Company has an accumulated loss, an amount used to cover the loss shall be set aside first.

   The employee remuneration as mentioned above may be paid in the form of shares or in cash to the employees of the Company's parents or subsidiaries who meet certain specific requirements. The director remuneration is distributed in cash.

2. The basis of the estimation of the remuneration to employees, directors, and supervisors, and methods for handling the difference between actually distributed and estimated amounts:

   The remuneration to employees and directors is estimated in accordance with the Articles of Incorporation and included in the operating costs or operating expenses of the year. If there is any change in the amount after the approval and release date of the financial statements in the following year, the change will be treated as a change in accounting estimates, and its impact will be recognized as the loss/profit of the following year.

3. Information on the remuneration distribution approved by the Board of Directors:

   On March 23, 2023, the Board of Directors resolved to distribute NT$34,143,121 for remuneration to employees and NT$10,289,708 for remuneration to directors for 2022. All the remuneration was distributed in cash; there is no difference between the distributed and estimated amounts.

4. Actual distribution of the remuneration to employees and directors in the previous year:

Unit: NT$

Item of Distribution	Actual Amount Distributed Under Resolution of the Shareholders Meeting	Actual Amount Distributed Under Resolution of the Board	Difference	Cause and Treatment
Remuneration to Directors	10,289,708	10,289,708	0	None
Employee Remuneration (in cash)	34,143,121	34,143,121	0	
Employee Remuneration (in shares)	0	0	0	

(IX) Buyback of the Company's Shares: None.

II. Issuance of Corporate Bonds:

(I) Corporate Bonds Issued or Not Yet Repaid:

Type of Corporate Bonds		Fourth Domestic Unsecured Corporate Bonds
Issuance Date		Oct. 21, 2021
Par Value		NT$100,000
Issuance and Trading Location		Taipei Exchange (OTC)
Issue Price		NT$105.8 (issued at premium)
Total Amount		Total Par Value of Issuance: NT$500,000,000 Total Amount of Issuance: NT$529,002,530
Interest Rate		0%
Maturity Period		3 Years; Maturity Date: Oct. 21, 2024
Guarantor Institution		None
Trustee		Trust Department of Bank SinoPac
Underwriting Institution		Capital Securities Corporation
Certified Lawyer		None
Certified Public Accountant		None
Repayment Method		Repayment at Once Upon the Maturity Date
Unrepaid Principal		N/A
Terms and Conditions of Redemption or Early Settlement		None
Restrictive Clauses		None
Name of Credit Rating Institution, Rating Date, and Rating Results of Corporate Bonds		None
Other Rights	Amount of Converted (exchanged or subscribed) Common Shares, Overseas Depositary Receipts or Other Securities up to the Publication Date of the Annual Report	N/A
	Regulations for issuance and conversion (exchange or subscription)	None
Possible Equity Dilution Due to the Regulations Governing the Issuance, Conversion, Exchange, or Subscription, as Well as the Issuance Terms and Conditions, and the Impact on the Equity of the Existing Shareholders		None
Name of Depository Enterprise for the Underlying Shares		None

Note 1: The issuance of corporate bonds includes publicly offered and privately placed bonds that are currently being issued. The publicly offered bonds currently being issued refer to the bonds effective upon the approval of the Commission (FSC), while the privately placed bonds currently being issued refer to the bonds approved upon the resolution of the Board of Directors.

Note 2: The number of spaces may be adjusted subject to the actual number of issuances.

Note 3: For overseas corporate bonds, the issuance and trading location shall be specified.

Note 4: Restrictive clauses include the restrictions on the distribution of cash dividends and external investment, or requirements for maintaining a certain asset ratio, etc.

Note 5: Private placement shall be marked notably.

Note 6: For convertible corporate bonds, exchanged corporate bonds, issued bonds based on shelf registration statement, or corporate bonds with warrants, the data thereof shall be disclosed in the format of the table according to the properties.

(II) Information on convertible corporate bonds

Unit: NT$

Type of Corporate Bonds		Fourth Domestic Unsecured Convertible Corporate Bonds	
Item / Year		2023	Current year up to April 22, 2024
Market price of convertible bonds	Highest	120.70	131.00
	Lowest	103.30	112.00
	Average	112.06	121.29
Conversion Price		37.65	37.65
Issue date and conversion price at the issuance		Oct. 21, 2021 42.2	
Method of performing the conversion obligation		Issuance of new shares	

Note: Average price = total transaction amount of matching price and OTC price/total number of shares at matching price and OTC price

III. Issuance of preferred shares: None.

IV. Instance of overseas depositary receipts: None.

V. Issuance of employee stock option certificates: None.

VI. Information about new restricted employee shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions of, or succession to shares of other companies: None.

VIII. Implementation of capital utilization plan: N/A.

Five. Operational Overview

I. Business Content

(I) Business Scope:

1. Main Items:

1. CC01080 Electronics Components Manufacturing.	2. F119010 Wholesale of Electronic Materials.
3. F219010 Retail Sale of Electronic Materials.	4. CB01010 Mechanical Equipment Manufacturing.
5. E604010 Machinery Installation.	6. F113010 Wholesale of Machinery.
7. F213080 Retail Sale of Machinery and Tools.	8. F401010 International Trade.
9. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing.	10. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
11. CC01090 Manufacture of Batteries and Accumulators.	12. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
13. CC01110 Computer and Peripheral Equipment Manufacturing.	14. CC01120 Data Storage Media Manufacturing and Duplicating.
15. F113070 Wholesale of Telecommunication Apparatus.	16. F113110 Wholesale of Batteries.
17. F213060 Retail Sale of Telecommunication Apparatus.	18. F213110 Retail Sale of Batteries.
19. F399040 Retail Sale No Storefront.	20. I301010 Information Software Services.
21. I301020 Data Processing Services.	22. I301030 Electronic Information Supply Services.
23. F102170 Wholesale of Foods and Groceries.	24. F107030 Wholesale of Cleaning Supplies.
25. F108040 Wholesale of Cosmetics.	26. F203010 Retail Sale of Food, Grocery and Beverage.
27. F207030 Retail Sale of Cleaning Supplies.	28. F208040 Retail Sale of Cosmetics.
29. F108031 Wholesale of Medical Devices.	30. F208031 Retail Sale of Medical Apparatus.
31. F113020 Wholesale of Electrical Appliances.	32. F213010 Retail Sale of Electrical Appliances.
33. F118010 Wholesale of Computer Software.	34. F218010 Retail Sale of Computer Software.
35.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	

2. Ratio of Revenue:

Unit: NT$ thousand

Item \ Year	2022		2023	
	Amount	Ratio of Revenue (%)	Amount	Ratio of Revenue (%)
Connectors	2,410,033	64.66	1,976,945	66.82
Wires and Cables	1,041,381	27.94	804,256	27.19
Electronic accessories	215,107	5.77	95,951	3.24
IoT	49,775	1.34	76,739	2.59
Others	10,718	0.29	4,730	0.16
Total	3,727,014	100.00	2,958,621	100.00

3. Current Products (services) of the Company:

The main products of the Company and its subsidiaries are the CviLux connectors, wires, and cables that are applied to the industries of network communication, laptops, optoelectronics, digital consumer electronics, and automobiles, and for industrial use.

(1) Connectors: The connectors can be installed internally or connected externally for signal or power transmission in the industries of IT, communication, computer peripherals, and digital consumer electronics.

(2) FFC/FPC: The FFC/FPC are manufactured according to the requirements of customers to go with the aforementioned connectors for internal installation. The products are widely used for signal or power transmission in the industries of scanners, multifunction printers, optical disk drives, digital cameras, NB, handheld devices, digital consumer electronics, and industrial control electronics.

(3) Wires and Cables: Customized electronic wires and cables are manufactured according to the requirements of customers to go with the aforementioned connectors for signal or power transmission. They are widely used in the industries of various consumer electronics, optoelectronics, industrial control, and automobiles for internal installation or external connection.

(4) Wireless Modules: Bluetooth, Wifi, and NFC modules.

(5) Apple Smart Home Appliances: HomeKit smart plugs, plugs,

HomeKit smart air purifiers.

(6) Health Care and Personal Accessories: Diaper sensor series, information security encryption series, and mobile accessory series.

(7) Automotive Electronics Internet: PCBAs (printed circuit board assemblies), smart sensor product series, and wireless charging, emergency charging, as well as smart car keys of vehicles.

(8) Digital currency storage devices.

(9) System integration project services.

(10) Low-carbon green smart software, hardware and consulting solutions.

4. New Products (services) Under Planning:

(1) Flexible flat cable connector for micro-interval camera module

(2) Automated crimp FFC/FPC connectors.

(3) Various high-frequency signal FFC/FPC connectors.

(4) Various high-power universal electronic connectors

(5) Power connector of servers

(6) Various automotive electronic connectors

(7) Various waterproof connectors.

(8) Ultra-thin board-to-board connection technology

(9) Various universal busbar connector

(10) Various high-speed transmission universal flexible flat cables

(II) Industry Overview

1. Status Quo and Development of the Industry:

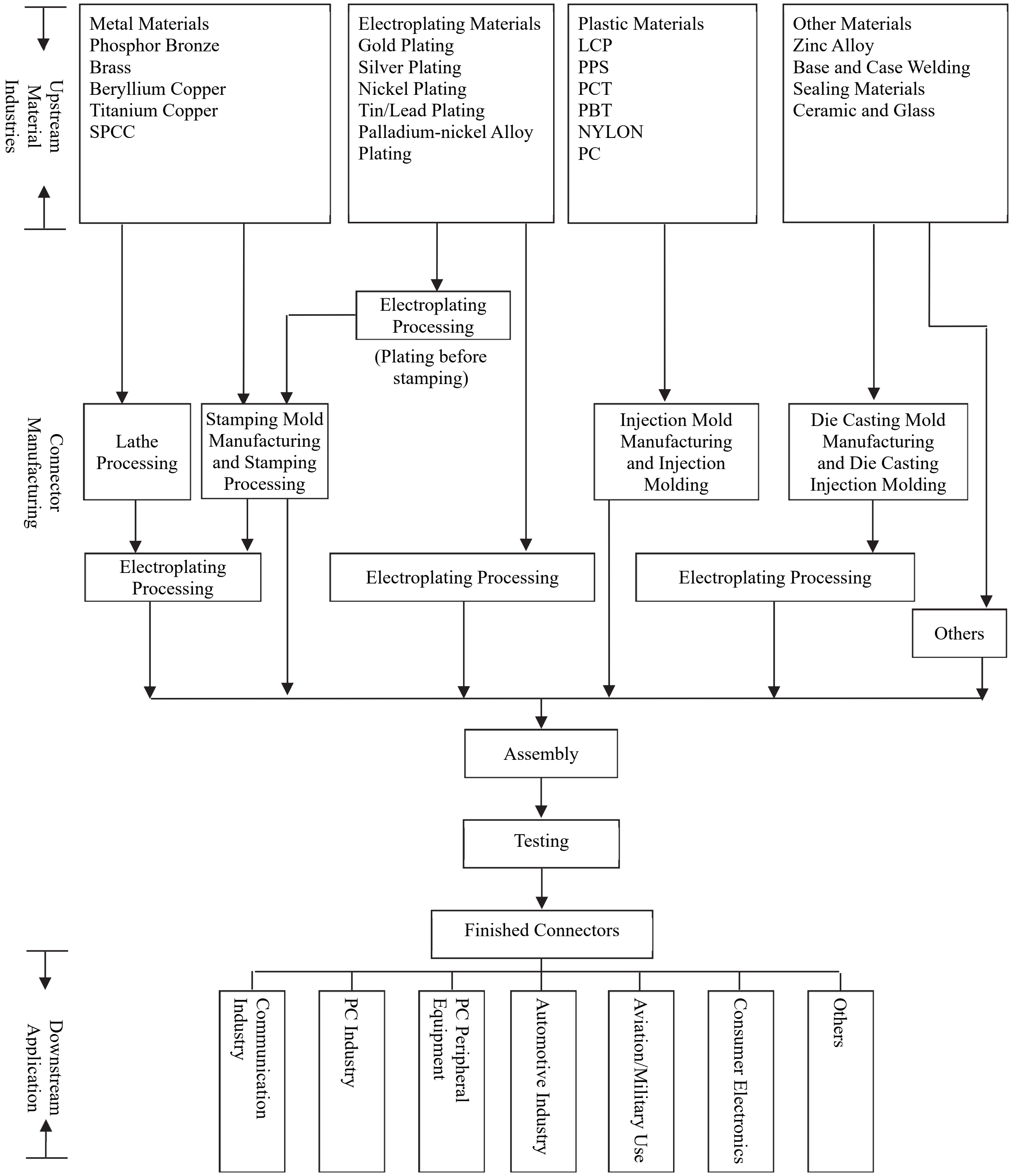
Connectors are a highly competitive industry with numerous product categories and a highly fragmented market. The outbreak of Covid-19 in 2020 affected the main application industries of connectors. Global Market Insights estimates that the global connector market will reach US$75 billion in 2026 (2020-2026 CAGR 7.2%), and the dynamic will cover major end applications such as Netcom, automotive, and consumer electronics.

Global Information Inc. (GII) expects that the connector market will continue to expand, driven by the growth of end markets and technological changes. From 2023 to 2028, the global connector market will grow by US$26.67 billion, with a compound annual growth rate during the forecast period is 6.48%.

By the regional market scale ratio, China has surpassed Europe and North America to become the world's largest connector market. Since October 2020, China's connector sales and order scale have both grown by double-digit year-on-year. According to the data released by Bishop & Associates, the scale of China's connector market reached US$25 billion in 2021, a year-on-year growth of 23.76%, and with a global market share of 32.05%, it has become the world's largest sales market for connectors.

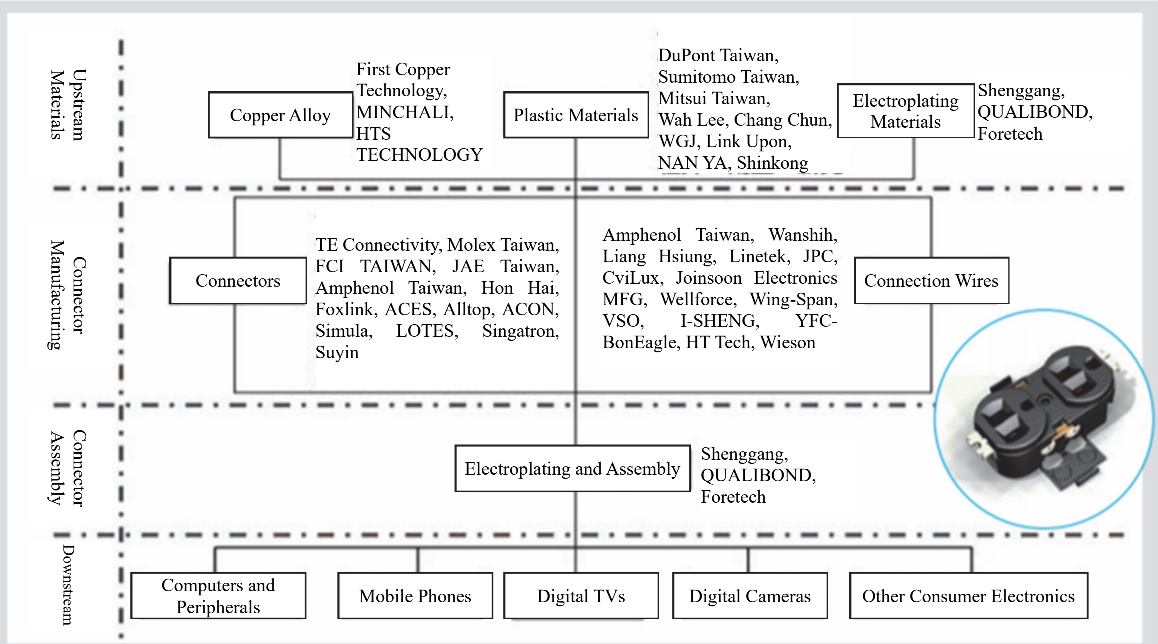
According to statistics, automotive is currently the largest end equipment application field of connector products, accounting for 22% of the global connector market, followed by the communication industry, PC and NB, industrial, rail communication, and other application fields (including military industry, consumer electronics, among other things). Connectors in the downstream applications of smartphones, computers and other products are iterating quicker. It is exactly because automobiles and communications are the top two downstream applications of connectors, accounting for more than 40% in sum, the focus on downstream applications of new energy vehicles and the development of the Internet of Things will be the momentum to continuously promote the expansion of the connector market in the future.

2. Correlation Among Upstream, Midstream, and Downstream in the Industry:



Source: ITIS project of Material and Chemical Research Laboratories, ITRI.

Structure of Connector Industry in Taiwan



Source: IEK (April 2013)

3. Development Trends of Products:

High-pressure Connectors:

High-capacity lithium batteries are adopted in NEVs. As the operating voltage rises to 400-600V compared to the 14V for conventional vehicles, the electrical/electronic architectures need to be fully changed, and the changes are first made to the key parts—connectors. Compared to conventional vehicles, NEVs have many more electric drive units and electrical equipment. The internal currents for power and information are complicated, and the high-current and high-voltage electric drive systems particularly require connectors with better reliability, ideal volume, and greater electrical performance. As a result, the demand for connectors and requirement for connector quality for NEVs will both rise to a significantly higher level.

Pure electric vehicles can only achieve a very limited continuous driving distance due to the limitation of the current technologies; however, rapid replacement batteries can make up for this defect. The EV rapid replacement battery connectors are important parts of rapid replacement batteries used for quick electrical connection and disconnection between the vehicles and the rapid replacement battery systems. They fall into the category of high-pressure connectors.

Ethernet Connectors:

Automotive Ethernet technology is likely to be one of the automotive network architecture trends of the next generation. Owing to the increasing intelligence of vehicles and their incorporation of the Internet, the trend of automotive intelligent connection has emerged. To cope with the development requirements of automotive intelligent connection, the computing power and hardware of vehicle processors have developed rapidly, and the ratio of automotive electronics in vehicles continues to increase. The demand for network bandwidths for electronic control unit (ECU) connection has also grown correspondingly. Such demand will go far beyond the capacity limits of conventional automotive networks such as CAN and FlexRay. Thus, with the increasing intelligence of vehicles and their incorporation of the Internet, the utilization of cloud computing data, and the popularization of advanced driver assistance systems (ADAS), a new electronic networking bus platform will definitely be established in the development of NEVs, with room for future growth.

Communication connectors:

Communication connectors need to meet the electrical indicators such as impedance, insertion loss, and voltage standing wave ratio. Such products are mostly customized, with power connectors, RF connectors, and signal connectors adopted at the same time. The industry is subdivided into different fields, and the types of connectors are also different:

For the data center or server end, the demand for high-speed connectors is higher. In wireless base stations, due to the emergence of 5G technology, the demand for RF connectors is relatively high. During the microwave signal transmission, the communication quality of high-frequency communication connectors can get impacted by attenuation and waveform disturbance easily. Therefore, the impedance compensation and simulation capability of connectors are the difficult technical points in the product design process. The data of Qianzhan Industry Research Institute shows that connectors make up 3-5% of the value of general communication equipment and even more than 10% of the value of some large equipment. The communication industry is the second largest downstream industry for connectors, representing around 20% of the global connector market. In 2014-2019, the market scale of the field showed a compound annual growth rate of 5.85%; the growth was greater than the entire global connector market scale of that time.

I/O connector:

Regarding conventional USBs, there are issues such as having many different models that are incompatible, slow transfer rate, and wide interface area. In contrast, Type-C USBs have a faster transfer rate and compact size; it can be used in both directions, carry 3A or higher current, and support a charging power of up to 100W. As MacBook Air of Apple has been simplified and thus has only Thunderbolt ports, the ports of Windows laptops are being progressively integrated; such simplification starts from the laptop series that features thinness. The penetration rate of dongle/docking stations for the port expansion of USB Type-C is 20-25%, and is expected to keep growing with the integration of interfaces. In September 2021, the European Union proposed to use the USB Type-C interface uniformly for electronic products, including mobile phones, tablets, cameras, earphones, stereo, and game consoles. If the proposal is adopted by the European Parliament and the EU summit, there will be a two-year transition period. It is estimated that the compound annual growth rate of the USB Type-C market revenue will reach 17.2% in the next five years. It is estimated that by 2025, the global market scale of USB Type-C will reach US$10.34 billion.

4. Competition Status:

The traditional connector industry is sufficiently competitive, with a high concentration of market share and solid leading positions. Between 1985 and 1999, there were 126 mergers and acquisitions in the connector industry. Between 2000 and 2018, there were 463 mergers and acquisitions in the connector industry. In the wave of mergers and acquisitions, the three connector giants, Amphenol, Tyco, and Molex, actively acquired competitors. During 1999-2018, Amphenol acquired 52 companies, while Molex acquired 27 companies, and TE acquired 25 companies. From 1980 to 2020, the market share of the top ten players in the global connector industry has increased from 38% to 61%. The market shares of the abovementioned three companies have increased from 29% to 35% (1999 - 2017).

Currently, there is only one connector company in China that ranks among the top 10 in the world, which is Luxshare Precision. There is great room for substitution in terms of the market demand and supply as well as competition and collaboration in China.

The companies in China are now the main competitors to connector manufacturers in Taiwan. In spite of the fact that the connector industry in China developed later, mainly consists of small and medium enterprises, and mostly provides mid and low-end products, with the active guidance of China's policies and the stimulation of demands in the downstream fields of automobiles and communication, etc., the connector industry of China is likely to rapidly catch up with considerably improved overall technologies.

There has been a steady enhancement in the global connector industry. Due to the development of downstream industries and the improvement of the connector industry, connectors have become the bridge for energy and information connection in equipment; basically, the general market scale shows consistent growth.

With the rise of the large electronics manufacturing service (EMS) providers such as Celestica, Foxconn, Jabil and Sanmina, the supply chain, labor cost, and consumption in Asia have shown obvious advantages.

(III) Technology and R&D Overview:

Research and Development Expenses Invested and Technologies or Products Developed Successfully in the Most Recent Year and up to the Publication Date of the Annual Report:

1. The R&D Expenses Invested in the Most Recent Year and up to the Publication Date of the Annual Report:

Unit: NT$ thousand

Item \ Year	2023
R&D Expenses	135,884
Net Sales Revenue	2,958,621
Percentage of the Net Sales Revenue (%)	4.59

2. Technologies or Products Developed Successfully in the Most Recent Year:

    (1) Flexible flat cable connector for micro-interval camera module
    (2) High-speed signal transmission wire-to-board connector
    (3) Various high-frequency signal FFC/FPC connectors.
    (4) Universal board-to-board connector for high-strength industrial control
    (5) High power composite board-to-board connector
    (6) Self-locking 3-in-1 high-power scalable connector
    (7) Power connector for server
    (8) Various automotive electronic connectors
    (9) Various universal busbar connector
    (10) Various high-speed transmission universal flexible flat cables

(IV) Long and Short-term Business Development Plans:

1. Short-term Business Development Plans (1-3 years)

(1) The product profit center system will be implemented based on three business groups: Connectors, Wires and Cables, and Electronic Modules.
(2) Each business group uses the headquarter's operation, marketing, materials and resources, staff and manpower, and operating system platform resources, to achieve professional division of labor, integration of production and sales, improvement of efficiency, reduction of costs, and inventory closeout.
(3) Continuing digital transformation: deploying a smart production management operation platform and using statistics to analyze and improve product process and pricing strategies.

(4) Resource integration for cross-factory performance enhancement: The BUs will gather the capital-intensive and technology-intensive processes as well as technical talents to the major factory.

(5) Establish the MES assembly and processing platform based on the multi-year foundation, to strengthen the business intelligence capabilities of contractors, and vertically integrate the contractors by product series, to improve the manufacturing competitiveness.

(6) The trading model and production factories will be adjusted to achieve the maximum benefits in terms of costs, customer requirements, environmental protection, and tax mitigation.

(7) We will increase the talents of new generations with the capacities of integration and comprehensive management to ensure the consistent growth and sustainable operation of CviLux.

2. Long-term Business Development Plans (4-5 years)

(1) Implement the product profit center system and promote the succession plan for business groups. Setting up a culture of "team succession", we recruit talents in different fields to let them gain experience for the thorough development of comprehensive and multifunctional management. We also make improvements to the internal talent training methods and establish systems of recruitment, employment, promotion, and reward, in order to attract senior managerial officers with team retention system, thereby develop human capital for the sustainable operation of the Company.

(2) In line with the market trends of the industry, the investment in R&D of new energy vehicles, green energies, HPC and other innovative application, and AIoT hardware and software integration products will be increased, with the diversified product lines kept robust through continuous smart manufacturing system optimization for product competitiveness enhancement, and with the marketing, supply chain, and customer relationship management incorporated to build up the value chain, so that the comprehensive production and marketing competitiveness is maintained.

(3) The corporate resources and internal control mechanism will be integrated, and the [robotic process automation (RPA)] and [artificial intelligence (AI)] will be adopted and bolstered to set up a comprehensive audit mechanism for profit increase, risk

prevention, and troubleshooting, in order to ensure that all the operations work correctly. Aside from the integration of internal resources, we will also support the effective division of work among the managers at all levels and teamwork in all operations, actively control the processes with timely measures developed, and effectively integrate corporate resources for asset activation, so that the corporate goals can be reached.

(4) Combine internal database and artificial intelligence (AI) computing to create a data-driven enterprise digital intelligent system. Support business model innovation based on the data, and create value-added data assets. The automated process technology (RPA) is adopted to execute the repetitive tasks with certain rules. Automation saves a lot of time and labor costs. Utilize system integration, data warehousing, and data synchronization to support various business applications of the Group.

(5) In addition to financial performance, focus on corporate sustainability responsibility, to focus the business scope in low-carbon, green, and energy-saving fields more clearly. All employees continue to firmly practice the “environmental, social and corporate governance” philosophy. In terms of corporate governance, digital transformation, green products, environmental sustainability, and employee care and cultivation, it continues to strengthen the Company’s physique and practice the path to a sustainable enterprise.

II. Market and Production/Sales Overview

(I) Market Analysis:

1. Regions of Distribution (provision) for the Company's Major Products (services):

Unit: NT$ thousand

Item		2022		2023	
		Amount	%	Amount	%
Domestic Sales		202,765	5.44	257,150	8.69
International Sales	China	2,341,464	62.82	1,725,966	58.34
	Vietnam	92,111	2.47	124,699	4.22
	Belgium	112,686	3.02	93,535	3.16
	Italy	144,117	3.87	80,908	2.73
	Germany	90,970	2.44	80,795	2.73
	France	138,182	3.71	77,598	2.62
	Others	604,719	16.23	517,970	17.51
Total		3,727,014	100.00	2,958,621	100.00

2. Market Share, Future Supply and Demand in This Market, and Growth Outlook

The connectors, wire and cable components, electronic modules and electronic accessories provided by CviLux are produced according to the models and requirements of customers in diverse industries. As a result, it is not easy to determine the market share of the respective markets. The Company will keep on developing more application fields and improving the technologies seeking that our market share in different markets can be gradually increased.

3. Competitive Niches

(1) Product R&D Technology and Production Equipment Development Capacity

The Company set up the R&D Department in 1996 to develop products that meet customized specifications. These products have a broad application scope, and many of them are even protected by patents from other countries. The quality and stability of our products earn us the recognition and trust of customers. We also have a significant breakthrough in new product development. Leveraging the fundamental technologies of R&D and manufacturing of parts, we have developed terminal accessories and obtained the MFi certification.

(2) Thorough Production Systems and Stable Product Quality

Since 1996, the Company has successively passed the international ISO9001 and ISO9002 quality certifications, ISO14001 environmental management certification, QC080000 certification for HSF (hazardous substance free), etc. In 2018, we passed the IATF16949 automotive product quality certification. In addition, we have obtained the safety certifications of USB 2.0, TUV, and UL for our products. The R&D team of the Company is devoted to the enhancement of design and production procedures, process streamlining, automated testing, etc., sparing no effort to improve the product quality and control the production costs. In terms of the product quality, strict quality control is performed in multiple levels on the materials, semi-finished products, and finished products. Different pieces of automated testing equipment are introduced to the manufacturing processes to lower the defect rate of products. Therefore, we win the trust of customers with our quality, thereby maintaining a steady and long-term relationship of supply.

(3) Broad Product Application Scope and Complete Marketing System

CviLux has a wide range of product categories. We can greatly comply with customization requirements and produce products with a broad application scope. Our products have been sold to major electronics manufacturing countries in the world, with the regions of sales covering Europe, America, and Asia. More than half of the top 100 EMS providers in the world are our customers. We have developed complete agent/distributor sales systems in the main industrialized countries to provide multinational finished product manufacturers with rapid services and meet customer demands.

(4) Digital advantages

CviLux has launched CG2020 full-intelligent manufacturing in 2018, which has laid the foundation for the Company to move towards digital manufacturing and digital management. The Company invests resources and efforts in digitization as much as possible from the most basic production life cycle to the sales life cycle in the business world. The purpose is not only to respond to the global trend of job shortage, but also to improve the productivity of existing employees, and to improve the Company's operating performance with good management efficiency.

(5) Deployment in ASEAN Countries and More Production Lines in Taiwan for Customer Requirements for Local Delivery

Because of the U.S.-China trade war and COVID-19 pandemic, there has been a growing trend of "shorter" supply chain for global manufacturing. Customers (enterprises) have increasingly turned to "localization" and "regionalization" in lieu of "globalized" production.

Hence, we consider ways to shorten the delivery time, reduce total costs, cut the length of the supply chain, enhance the quality, lower the shipping fee and employee payment, and improve the customer experience, etc. for customers.

In the past, we established production bases in Dongguan, Suzhou, Chongqing, and Shenzhen in response to customer demands, and increased the investment in Lao to cope with the demand for nearby delivery in the supply chain of customers in ASEAN countries. Our Tamsui Factory in Taiwan adopts 24-hour operations with automated production lines. In 2021, new production lines for products with high added value were set up, while the mass production of mature products was appointed to the factories in China. Each factory has the capacities of product development and automated production, and the production lines may be adjusted according to regional requirements; a complete production layout has been achieved.

4. Favorable and Unfavorable Factors of Development and Countermeasures:

(1) Favorable Factors

A. Ongoing demands due to the digital technologies accelerated by human lifestyle and economy.

The application scope of connection is fairly wide. The great market covers the fields of computers and peripherals, data center cloud computing, automobiles, communication data, medical care, industrial use, and so forth.

B. Good R&D Capacity and Stable Product Quality

Ranging from product R&D and design to mold and automated equipment development, we have corresponding technologies and experience. In addition to the independent R&D and the development of products that meet the specification requirements of customers, we also design and manufacture precision molds and automated assembly equipment on our own to satisfy the production needs and fully stay on top of the production process as well as quality.

C. Marketing Capability and Secure Customer Base

CviLux's products have been sold to more than 80 countries in Europe, America, and Asia, and complete agent/distributor sales systems have been established in the main industrialized countries to provide multinational finished product manufacturers with rapid services.

D. Fulfillment of CSR With Products Aligned With the ESG Requirements of Major International Companies

Receiving the international ISO14001 environmental protection certification, CviLux endeavors to become a sustainable partner of customers in the green supply chain. As the requirements for environmental protection features of products have become increasingly stringent nowadays, our contributions and efforts related to environmental protection will be our strengths in the competition in the market. Minerals mined against the background of armed conflict and human rights violations in conflict-affected and high-risk areas. Common minerals include tin (Sn), tungsten (W), tantalum (Ta), gold (Au), and cobalt (Co). CviLux Group complies with the requirements of the Responsible Business

Alliance (RBA)/RMI (Responsible Minerals Initiative), and conducts due diligence on the production and sales of mineral sources in accordance with the "OECD Mineral Due Diligence Guide." Meanwhile, the mineral procurement policies are communicated to suppliers and they are required to comply with policy requirements.

(2) Unfavorable Factors

The price competition of the companies in China is the main unfavorable factor. China is not only the place where the main production bases of global electronic products are located but also the largest market of mobile devices, PCs, and LCD TVs, etc. in the world, which gives the local brands in China geographical advantages and dominance.

Countermeasures:

We will strengthen our R&D technologies and capacities of manufacturing and mass production, and actively develop high-end products, securing our position in the market with high quality and differentiating ourselves from the manufacturers in China. Moreover, we will enhance the professional skills and competence of employees, and enhance the standardization, systemization, and informatization of operations. In this way, our administrative and production processes can become smoother, which helps bring down different operating costs.

(II) Key Purposes and Production Processes of Major Products:

1. Key Purposes of the Major Products

(1) Connectors: The connectors can be installed internally in or connected externally with products related to IT, communication, computer peripherals, digital consumer electronics, etc.

(2) FFC/FPC and wire components: The FFC/FPC go with the aforementioned connectors and are installed in scanners, printers, optical disk drives, digital cameras, or digital consumer electronics for signal transmission. These include wires and cables for electronics and computer peripherals.

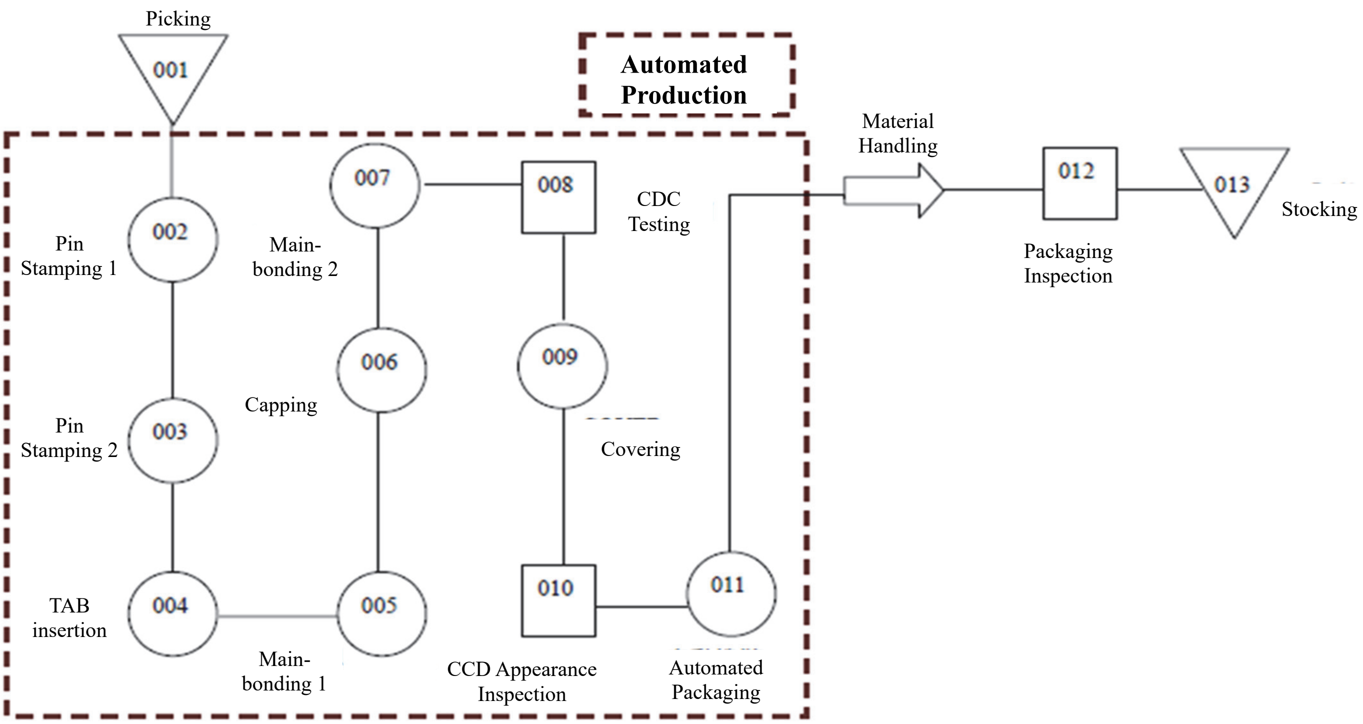
(3) Electronic accessories: used to control various functions of

electronic products, store data, and connect different electronic components and circuit boards. These accessories usually use device connectors or jacks to achieve connection and prevent overload and short circuit.

2. Production Processes:

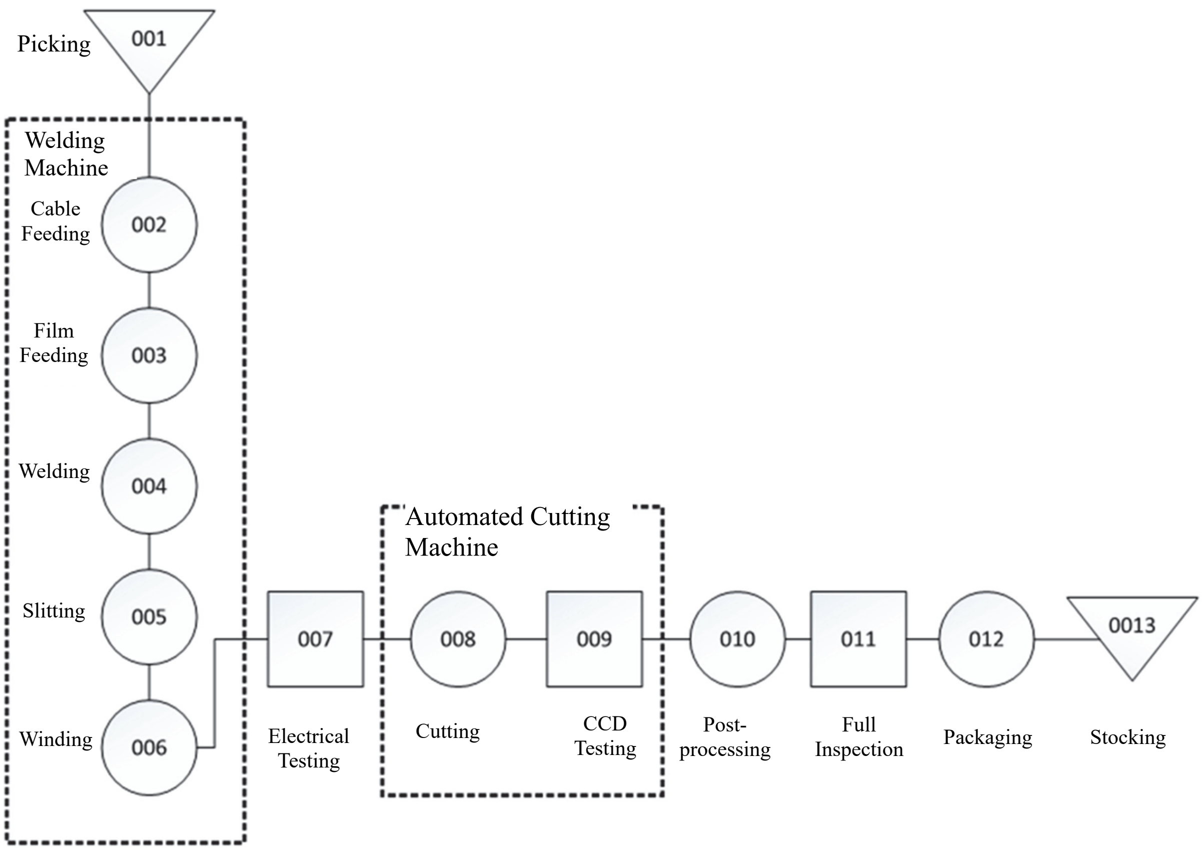
(1) Connectors:

Production Process Flow Chart



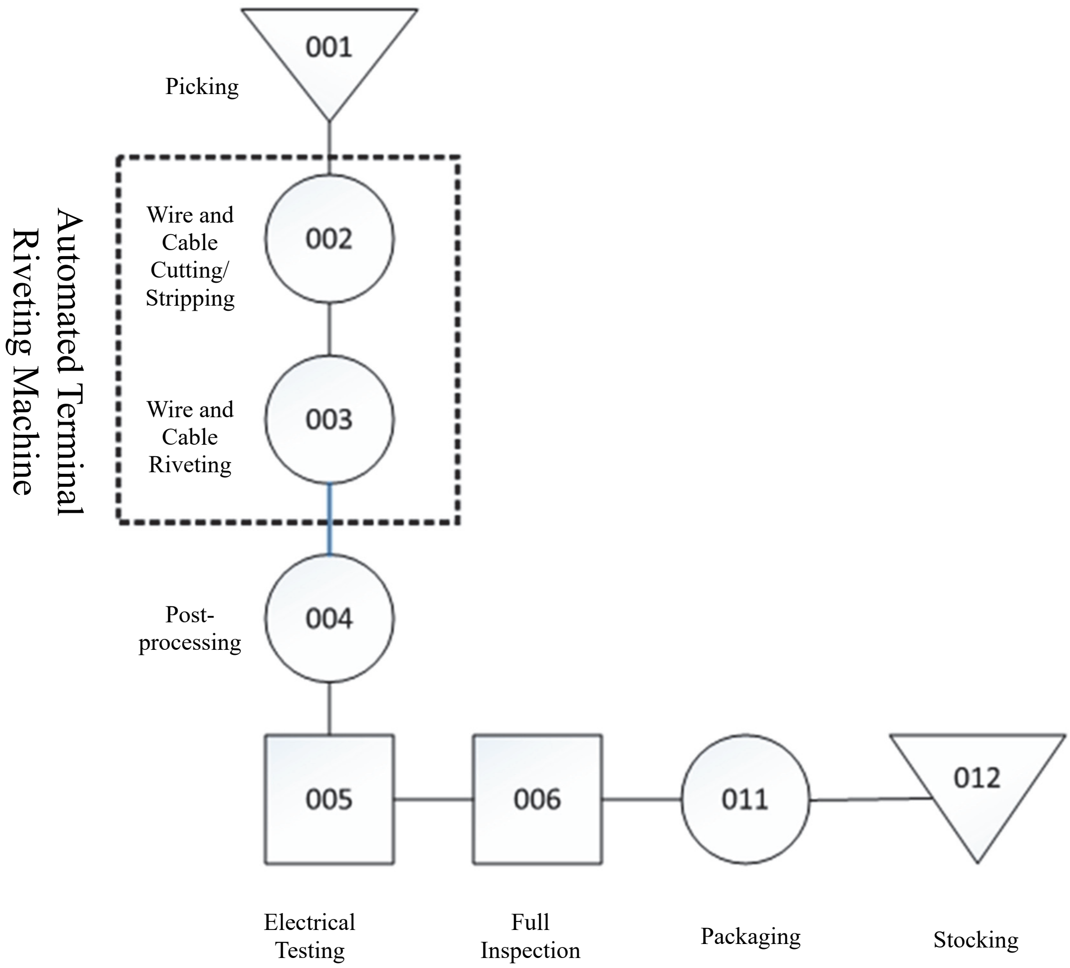
(2) FFC/FPC:

Production Process Flow Chart

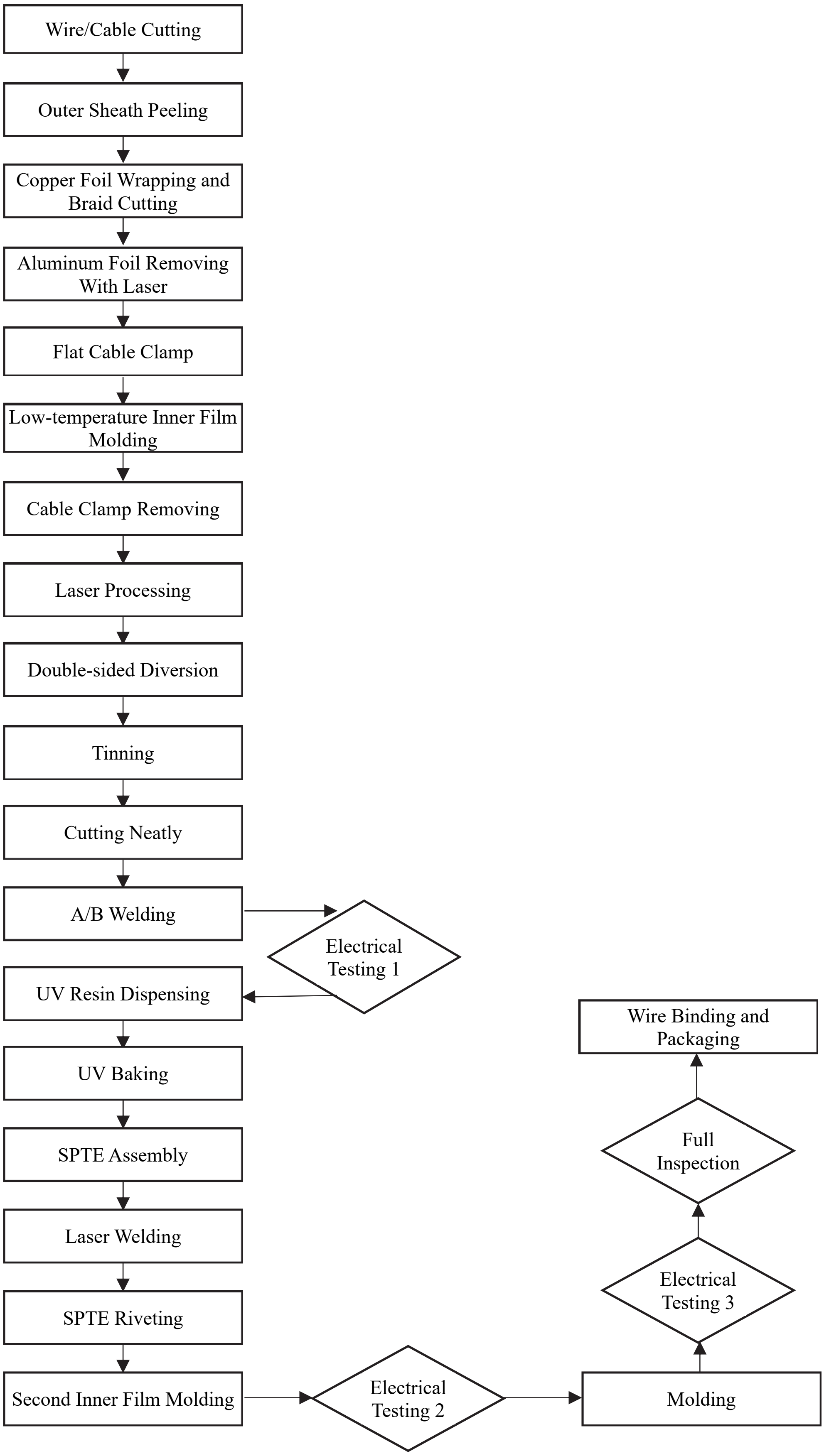


(3) Wires and Cables

Production Process Flow Chart



(4) Type C


Wire/Cable Cutting
Outer Sheath Peeling
Copper Foil Wrapping and Braid Cutting
Aluminum Foil Removing With Laser
Flat Cable Clamp
Low-temperature Inner Film Molding
Cable Clamp Removing
Laser Processing
Double-sided Diversion
Tinning
Cutting Neatly
A/B Welding
Electrical Testing 1
UV Resin Dispensing
UV Baking
SPTE Assembly
Laser Welding
SPTE Riveting
Second Inner Film Molding
Electrical Testing 2
Molding
Electrical Testing 3
Full Inspection
Wire Binding and Packaging

(III) Supply of Major Materials:

Major Materials	Names of Suppliers
Terminal	WU CHING, DUAN FENG, TAI SHAN LIH, Duan Feng, BAISHIWEI, Modest Advancement Technology, SHIANG SING
Plastic Base	CviLux Electronics (Dongguan) Co., Ltd., Dongguan Qunhan Electronics Co., Ltd., CviLux Technology (Suzhou) Co., Ltd., CviLux Technology (Chongqing) Corporation, CviLux Lao Co., Ltd., YOOCHI, HANN YIN
Electroplating	Connector Co., Ltd., UDAN, SENORES, TAI PERNG,
Packaging Materials	ITW EBA, SINLIAN, Jishun Packaging, Kingsonpi2, TSUN HSIN, NEWGREEN,

The Company and its subsidiaries have two or more suppliers for major materials or parts and components, diversifying the supply sources for lower supply risks. Furthermore, we have established a steady and long-term collaboration relationship with the suppliers, which helps maintain consistent supply despite the recent huge price fluctuation of materials like plastics/copper plates/iron casing/packaging materials. There has not been any disruption to the supply.

(4) The name of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount, and the reason for the changes:

1. The name of major suppliers who accounted for more than 10% of the total purchase in the most recent two years, the proportion of the purchase amount, and the reason for the changes: None in the most recent two years.
2. The name of major customers of sales who accounted for more than 10% of the total sales in the most recent two years, the proportion of the sales amount, and the reason for the changes: None in the most recent two years.

(V) Production Volume and Value in the Most Recent Two Years:

Unit: thousand PCS/NT$ thousand

Year	2022			2023		
Production Volume and Value / Major Products	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Connectors	13,312,922	9,509,230	1,568,760	10,953,961	8,735,572	1,254,874
Wires and Cables	1,658,535	1,184,668	965,904	1,344,441	1,072,166	890,060
Electronic accessories	2,499	2,273	325,425	1,138	908	165,021
IoT	0	0	0	0	0	0
Total	14,971,459	10,696,171	2,860,089	12,299,540	9,808,646	2,309,955

(VI) Sales Volume and Value in the Most Recent Two Years:

Unit: thousand PCS/NT$ thousand

Year	2022				2023			
Sales Volume and Value / Major Products	Domestic Sales		International Sales		Domestic Sales		International Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connectors	80,296	140,817	1,704,714	2,269,216	127,522	146,684	1,300,415	1,830,261
Wires and Cables	2,203	27,543	234,222	1,013,838	3,196	50,281	178,892	753,975
Electronic accessories	0	0	2,935	215,107	0	6,523	1,300	89,428
IoT	40	24,011	340	25,764	53	48,736	20	28,003
Others	18	10,394	1	324	10	4,926	1	-196
Total	82,557	202,765	1,942,212	3,524,249	130,781	257,150	1,480,628	2,701,471

Note: The products mentioned above include our own products and externally purchased products.

III. Number of Employees, Average Years of Service, Average Age, and Degree Distribution Ratio in the Most Recent Two Years:

Year		2022	2023
Number of Employees	Direct Labor	21	13
	Indirect Labor	160	159
	Total	181	172
Average Age		42.87	43.26
Average Years of Service		11.02	11.84
Degree Distribution Ratio (%)	Doctoral Degree	0	0
	Master's Degree	8	9
	Bachelor's Degree	73	73
	Senior High School	14	14
	Below Senior High School	5	4

IV. Information on Environmental Protection Expenses

Losses arising as a result of environmental pollution incidents in the most recent year and up to the publication date of the annual report (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection; the disciplinary date, number of the disciplinary letter, articles violated, provisions violated, and disciplinary actions shall be specified), the estimated amount of losses that may be incurred currently or in the future, responsive actions being or to be taken, and the reasons in cases where the losses cannot be reasonably estimated: None.

V. Labor-management Relations

(I) The Company's employee welfare measures, continuing education, training, retirement systems, and implementation status thereof, as well as labor-management agreements and employee rights protection measures:

1. Employee Welfare Measures:

(1) With the Labor Standards Act taken as the blueprint, we have established different management regulations for all the employees to follow. Moreover, regular labor-management meetings and operation management meetings are held, not only for the promotion of the Company's policies but also for communication with the

attending representatives on the opinions on reformation, daily aspects, benefits, and suggestions. The relationship between the management and employees has been harmonious; there have been no labor disputes.

(2) The Company develops remuneration and benefit plans that are internally encouraging and externally competitive based on the remuneration trends in the market and the operational status. Meanwhile, we adopt effective incentive plans to stimulate employees to deliver outstanding performance and attract, encourage, and retain talents. Appropriate remuneration and welfare plans are also devised according to the supply and demand status in the labor market.

(3) Performance appraisal system: Performance targets are set each year, and performance appraisals and interviews are conducted at the end of each year. The appraisal results are used as the basis for promotion, salary adjustment, bonus payment and remuneration.

(4) Distribution of remuneration and bonuses: bonuses are linked to the Company's operating performance, annual net profit, and employee appraisal; 5% to 12% of the profit is appropriated as remuneration to employees in accordance with the Articles of Incorporation.

(5) Benefits

Category	Item
Profit Sharing/Stock Ownership	1. Employee Remuneration
Bonus/Gift	1. Year-end Bonus 2. Bonuses/Gifts for the Three Traditional Holidays 3. Prize/Gift for Labor Day
Insurance	1. Employee Group Insurance 2. Accident Insurance 3. Employment Injury Insurance
Relaxation	1. Domestic Travel 2. Overseas Travel 3. Birthday Party
System	1. Lunch Stipend 2. Complete Education and Training 3. Smooth Promotion Channels
Facilities	1. Breastfeeding Room
Leave	1. Two-day Weekend 2. Annual Leave 3. Travel Leave 4. Pregnancy Checkup Accompaniment and Paternity Leave 5. Home Leave 6. Menstrual Leave 7. Parental Leave
Others	1. Employee Discount 2. Employee Parking Spaces 3. Physical Examination 4. Work Phones
Subsidization	1. Wedding Cash Gift 2. Maternity Allowance 3. Subsidy for Continuing Education 4. Travel Allowance 5. Hospitalization Consolation Money 6. Resignation Pay

2. Employees' Training and Continuing Education:

The Company prepares an annual training plan in accordance with the Company's operating plan. The Company's training courses are divided into orientations and on-the-job trainings, to help employees continue to learn and grow through diverse learning methods, and introduce training courses related to corporate sustainability, to cultivate employees' key capabilities to improve work capacity and effectiveness. Meanwhile, employees' personal training information is also referred to for future promotions and transfers.

(1) The Statistics of the Company's Employee Training Courses in 2023 are Shown Below:

Number of Internal Training Sessions	Internal Training Hours	External Training Hours	Total Cost of Education and Training
104	281	352	NT$148 thousand

(2) Continuing Education and Training Methods for Employees: The Company has specially made the induction training requirement list to develop the concept of innovation and improve work competence as well as effectiveness. The department heads are responsible for the supervision and training so that their subordinates meet the professional requirements. When the employees fail to reach the standards of the requirements related to the information systems, operating processes, or skills, specific personnel are designated to provide assistance. The training results are recorded in the personal education and training data of employees.

(3) During performance interviews at the end of each year, officers and employees discuss and set up personal annual capability development plans. Through regular reviews and feedback, employees are assisted in tailoring the best development plans.

3. Retirement System and its Implementation Status:

(1) The Company has implemented rules for the retirement of employees since 1998 in accordance with the Labor Standards Act. The "Supervisory Committee of the Labor Retirement Reserve" was formed to review the amount of the labor retirement reserve fund and take care of the payments thereof. In 2023, the Company contributed an amount equal to 4% of employees' salary as the retirement reserve fund every month into the pension account in the Bank of Taiwan. As of December 31, 2023, the balance of the pension account was

NT$17,593 thousand.

(2) For any employee to whom the system under the “Labor Pension Act” applies, the Company has allocated 6% of his/her insured salary to his/her personal pension account at the Bureau of Labor Insurance on a monthly basis. In 2023, a total of NT$6,861 thousand was allocated.

(3) Implementation Status: Good.

4. Labor-management Agreements and Employee Rights Protection Measures:

(1) The Labor Standards Act is applicable in the field where the Company belongs; thus, all operations follow the Labor Standards Act, which lead to 0 labor disputes heretofore.

(2) The Company establishes complete operational procedures in every department and fulfills all employee rights and responsibilities according to relevant laws, regulations, and internal control norms. Moreover, the Company provides well-established communication mechanisms, pays attention to the exchange of opinions between workers and management, and takes proper actions according to the opinions to protect the rights of employees and the Company.

(3) In view of the importance of protection measures in the work environment for employees’ safety, the fulfillment of social responsibilities and the ESH-related implementation, the Company promotes hazardous substance free products and ESH management with the ISO14001 environmental management system. Our purposes are to protect the environment as well as the health and rights of employees, and become a company with sustainable development that is committed to improving environmental protection actions unceasingly.

(4) In order to avoid occupational safety incidents that might pose considerable threats to the corporate assets, cooperate image, and employees’ life and safety, related work rules such as the Health and Safety Work Rules are established to prevent accidents. Moreover, we make plans for the crisis response items and perform emergency response exercises regarding accident handling procedures, emergency response plans\ and reporting conditions, disaster recovery, etc., minimizing the impact on the assets and personnel of the Company, society, and the environment.

A. Fire drills and emergency response exercises are conducted every six months to develop countermeasures for potential accidents.

B. The Company has appointed “visually impaired masseurs” since 2017 to provide employment opportunities for the minority group and allow employees to relieve stress and fatigue during work. In

2023, about 1,500 employees made appointments with the masseurs. We have also hired professional health care staff and doctors with a contract, held irregular health education and educational training for occupational safety, and implemented health care for all employees, ensuring that employees can work safely and at ease. In 2023, a total of 352 interviews were conducted.

C. With the support of a professional safety consulting firm, we make hazard identification and risk assessment for the factories to prevent occupational injuries or accidents of employees. In 2023, there was no incident of occupational injuries.

D. The employees are the most important assets of the Company. We provide physical examinations every two years to prevent diseases, avoid occupational injuries, and protect body health.

(II) Losses arising as a result of labor disputes in the most recent year and up to the publication date of the annual report (including any violation of the Labor Standards Act found in labor inspections; the disciplinary date, number of the disciplinary letter, articles violated, provisions violated, and disciplinary actions shall be specified), the estimated amount of losses that may be incurred currently or in the future, responsive actions being or to be taken, and the reasons in cases where the losses cannot be reasonably estimated: None.

VI. Cyber Security Management Strategy and Structure

(I) Cyber Security Risk Management Structure

1. Corporate Information Security Governance Organization

The CviLux Corporationestablished the “Information Security Management Committee” in 2021 to control and implement information security, define information security policies, and execute the policies after approval of the Committee. The Company completed the initial certification of ISO 27001:2013 in July 2021, and obtained the ISO 27001 validity certificate for three consecutive years so far.

In response to digital transformation and the threat of increasingly updated information security, the Company is committed to the plan for revision of ISO/IEC 27001:2022 in 2024, and will improve the relevant information security control measures to integrate and strengthen the information and communication security management system.

In order to keep promoting cyber security management, we appointed the Chief Information Security Officer to supervise matters related to cyber security, and report the outcome of information security management and relevant issues to the Board on a regular basis.

The“Information Security Management Committee”is formed with four teams,each responsible fordifferent cyber security issues:

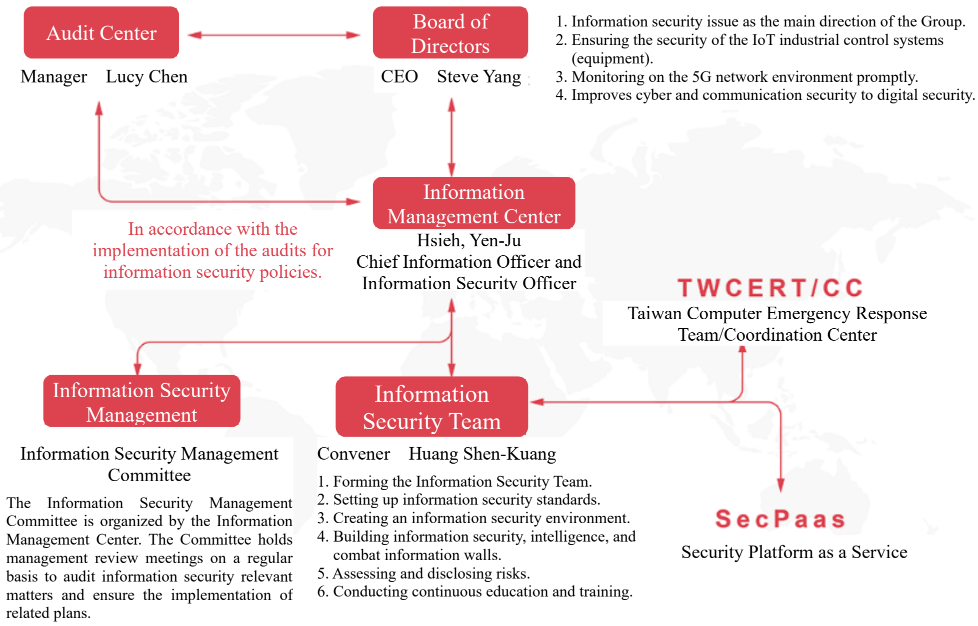
(1) Risk Management Team: Conduct inventory and risk evaluation of information and cyber systems, to confirm that the ownership and control of information assets are properly managed, while complying with information security risk management policies and procedures.

(2) Document Control Team: Establishes documents relevant to cyber security regulations, procedures, and systems for the Company, and ensures that the documents meet the requirements of the laws and agreements.

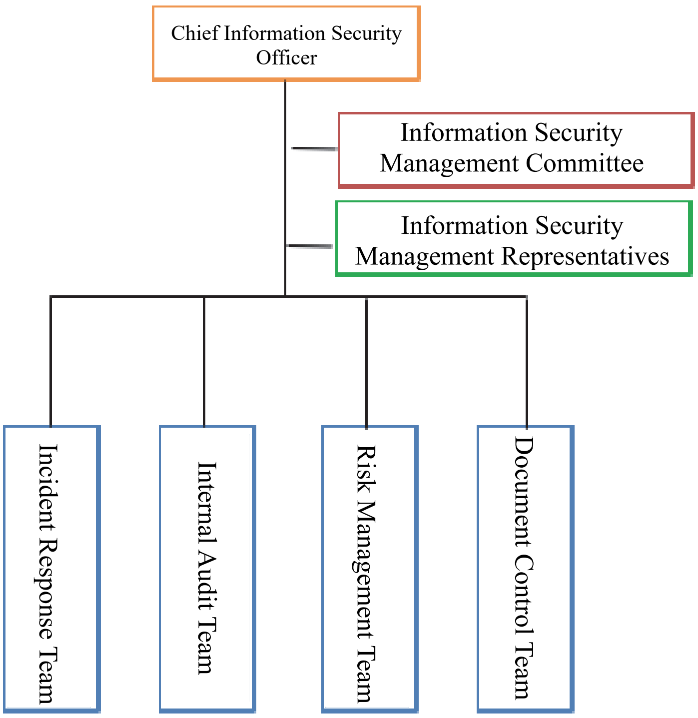
(3) Internal audit team: Conduct internal audits on cyber security to regularly report audit results and track improvements.

(4) Intelligence and incident handling team: actively summarize the intelligence of threat, regularly report the intelligence of threat, implement the reporting and response mechanism of cyber security incidents, and plan and implement the business continuity plan.

2. CviLux Corporation Information Security Organization Structure



3. CviLux Corporation Information Security Management Committee Structure



(II) Cyber Security Policy

1. Enterprise information security management strategy and framework

In order to effectively promote the information security management system, the enterprise information security organization comprehensively considers internal and external information security issues, the information security requirements of relevant units, and information security protection measures, and then determines the information security management framework of the Company. Through the integration of regular meetings held by the "information teams" of domestic factories and units of foreign subsidiaries to effectively implement information security management. The Organization follows the "Planning - Execution - Audit - Correction" model of the ISO/IEC 27001 standard, and develops, protects, and maintains the improvement of the documentary information security management system. The management team provides relative resources to develop and manage the information security management system, check on the applicability of the information security policies and the protection measures, and regularly report the execution results to the "Information Security Management Committee".

At the "planning stage", we establish an information security policy as a guideline for the information security management system. The policy is approved and issued by the management team and has been promoted to all employees via appropriate channels. The policy is also inspected regularly or when significant changes are made to ensure its applicability and effectiveness.

At the "execution stage", the responsible or appointed person ratifies the high-asset levels and the acceptable risk level. The person also inspects the risk assessment results, risk improvement plans, and control measures, and produces risk assessment reports with respect to the topics to implement effective risk control.

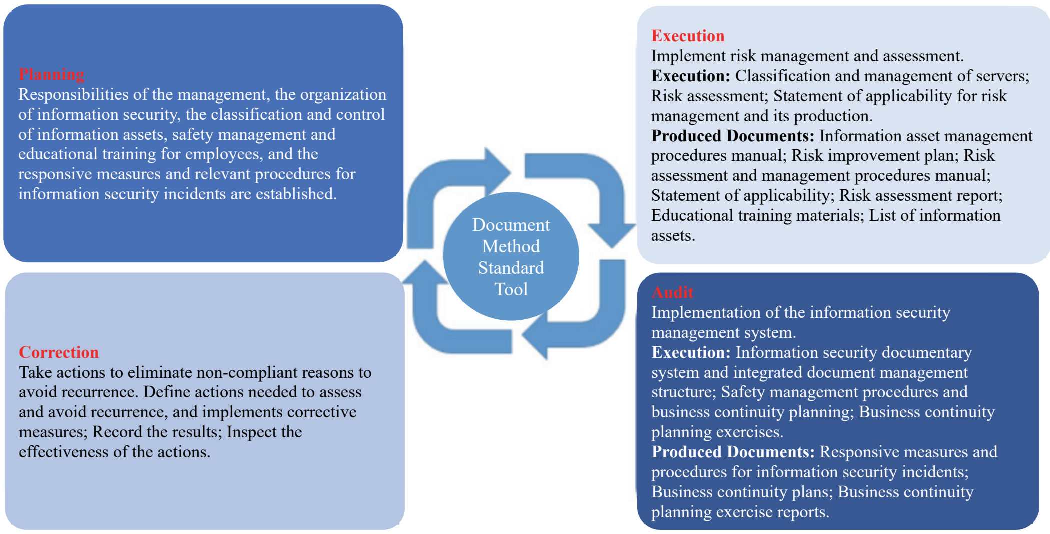
At the "audit stage", we implement internal audit and verify all activities and the related results to see if they meet the requirements of the information security management system. By doing so, the Company can be aware of possible deficiencies of the information security, take corrective actions, and track the issue promptly to make sure of the effectiveness and continuous improvement of the activities.

At the “correction stage”, we examine, analyze, track, and manage the reasons of abnormalities and non-compliances. We perform assessment and quantitative analysis of the information security metrics, and take corrective actions when the actual factors behind the issues are identified to prevent potential non-compliant incidents. We also establish relevant systems and regulations when needed.

In addition, improvement actions, such as information security measures and education, training, and dissemination practices are reviewed and implemented on a regular basis according to the assessment results of the performance metrics and maturity. When necessary, the Company invites responsible persons, experts, and scholars to attend the meetings for consultation and to provide opinions, ensuring that the CviLux Corporation operates in a relatively safe environment.

2. Information Security Risk Management and Continuous Improvement Structure

The effective management of enterprise information security is an ongoing process that requires the organization to continuously assess risks, take improvement measures, and communicate with relevant stakeholders. The enterprise information security organization uses the results of risk assessment and internal and external audits to improve the overall cyber security environment, take appropriate corrective and preventive measures, and communicate with relevant institutions for opinions on the results and various measures, from which, we will learn lessons from the security experience of information security incidents, continuously improves, internalizes and embeds them in the corporate culture, to establish a PDCA information security governance cycle for achieving continuous improvement every year.



(III) Significant Cyber Security Events: None.

VII. Important Contracts

Nature of Contract	Parties	Duration	Main Contents	Restrictive Clauses
Long-term Loans	Hua Nan Commercial Bank	8.27.2012-8.27.2027	Factory Plant Mortgage Loan The Whole 9th Floor	None
Medium-term Loan	E.SUN Bank	10.31. 2022-10.31. 2025	Factory Plant Mortgage Loan No. 13, 15, 17 and 19, 8F	None
Medium-term Loan	Cathay United Bank	5.28.2021-5.28.2024	Factory Plant Mortgage Loan No. 29 and 31, B1	None

Six. Overview of Finance

I. Condensed Financial Information for the Most Recent Five Years

(I) Condensed Balance Sheet and Comprehensive Income Statement for the Most Recent Five Years

1. Based on the International Financial Reporting Standards (IFRS)

1-1 Condensed Balance Sheet - IFRS (consolidated)

Unit: NT$ thousand

Item \ Year		Financial Information of the Recent Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		2,918,125	3,030,850	3,697,816	3,752,490	3,811,763
Financial Assets Measured at Amortized Cost - Non-current		0	41,923	0	0	0
Property, Plant, and Equipment		1,060,439	1,160,876	1,193,125	1,163,430	1,036,647
Right-of-use Assets		166,051	214,009	178,668	134,478	90,953
Intangible Assets		8,946	16,217	15,917	16,622	24,589
Other Assets		158,330	65,271	73,072	55,548	55,575
Total Assets		4,311,891	4,529,146	5,158,598	5,122,568	5,019,527
Current Liabilities	Before Distribution	1,294,247	1,320,733	1,368,054	1,063,002	1,472,464
	After Distribution	1,375,646	1,431,268	1,525,961	1,220,909	1,582,648
Non-current Liabilities		492,724	581,766	928,611	994,215	474,285
Total Liabilities	Before Distribution	1,786,971	1,902,499	2,296,665	2,057,217	1,946,749
	After Distribution	1,868,370	2,013,034	2,454,572	2,215,124	2,056,933
Equity Attributable to Parent Company Shareholders		2,515,075	2,619,151	2,857,888	3,065,345	3,075,340
Capital Stock		813,994	789,534	789,534	789,534	789,561
Capital Surplus		583,840	564,317	608,083	608,100	615,229
Retained Earnings	Before Distribution	1,244,546	1,356,184	1,582,049	1,759,936	1,819,452
	After Distribution	1,163,147	1,245,649	1,424,142	1,602,029	1,709,268
Other Equity		(127,305)	(90,884)	(121,778)	(92,225)	(148,902)
Treasury Stock		0	0	0	0	0
Non-controlling Interest		9,845	7,496	4,045	6	(2,562)
Total Equity	Before Distribution	2,524,920	2,626,647	2,861,933	3,065,351	3,072,778
	After Distribution	2,443,521	2,516,112	2,704,026	2,907,444	2,962,594

Note 1: The consolidated financial report for each year has been audited and certified by CPAs.

1-2 Condensed Balance Sheet - IFRS (separate)

Unit: NT$ thousand

Item		Financial Information of the Recent Five Years (Note 1) 2019	2020	2021	2022	2023
Current Assets		1,310,922	1,147,556	1,458,170	1,417,717	1,118,181
Financial Assets Measured at Amortized Cost - Non-current		0	41,923	0	0	0
Investment Under the Equity Method		2,525,650	2,743,014	2,966,947	3,339,422	3,427,948
Property, Plant, and Equipment		181,134	194,741	182,888	201,390	194,691
Right-of-use Assets		985	2,779	8,039	6,768	5,067
Intangible Assets		5,793	11,317	12,718	15,176	23,576
Other Assets		31,493	31,502	47,315	34,977	30,384
Total Assets		4,055,977	4,172,832	4,676,077	5,015,450	4,799,847
Current Liabilities	Before Distribution	1,147,136	1,076,236	998,248	1,010,041	1,256,278
	After Distribution	1,228,535	1,186,771	1,156,155	1,167,948	1,366,462
Non-current Liabilities		393,766	477,445	819,941	940,064	468,229
Total Liabilities	Before Distribution	1,540,902	1,553,681	1,818,189	1,950,105	1,724,507
	After Distribution	1,622,301	1,664,216	1,976,096	2,108,012	1,834,691
Equity Attributable to Parent Company Shareholders		2,515,075	2,619,151	2,857,888	3,065,345	3,075,340
Share Capital		813,994	789,534	789,534	789,534	789,561
Capital Surplus		583,840	564,317	608,083	608,100	615,229
Retained Earnings	Before Distribution	1,244,546	1,356,184	1,582,049	1,759,936	1,819,452
	After Distribution	1,163,147	1,245,649	1,424,142	1,602,029	1,709,268
Other Equity		(127,305)	(90,884)	(121,778)	(92,225)	(148,902)
Treasury Stock		0	0	0	0	0
Non-controlling Interest		0	0	0	0	0
Total Equity	Before Distribution	2,515,075	2,619,151	2,857,888	3,065,345	3,075,340
	After Distribution	2,433,676	2,508,616	2,699,981	2,907,438	2,965,156

Note 1: The separate financial report for each year has been audited and certified by CPAs.

1-3 Condensed Statements of Comprehensive Income - IFRS (consolidated)

Unit: NT$ thousand

Item \ Year	Financial Information of the Recent Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	3,133,851	3,134,712	4,159,393	3,727,014	2,958,621
Gross Profit	904,630	1,030,524	1,247,310	1,106,425	1,008,222
Operating Income (loss)	284,065	385,588	552,695	371,349	297,059
Non-operating Revenue and Expenses	1,696	(41,309)	(45,274)	132,630	44,165
Pre-tax Profit	285,761	344,279	507,421	503,979	341,224
Net Profit of Continuing Operations in the Current Period	175,590	214,340	336,322	328,082	215,018
Losses From Discontinued Operations	0	0	0	0	0
Net Income (loss) in the Current Period	175,590	214,340	336,322	328,082	215,018
Other Comprehensive Income in the Current Period (net amount after tax)	(88,698)	31,921	(34,267)	33,226	(56,840)
Current Total Comprehensive Income	86,892	246,261	302,055	361,308	158,178
Net Profit Attributable to Owners of the Parent Company	175,680	215,884	338,615	331,509	217,909
Net Profit Attributable to Non-controlling Interests	(90)	(1,544)	(2,293)	(3,427)	(2,891)
Comprehensive Income Attributable to Owners of the Parent Company	87,912	248,610	305,506	365,347	160,746
Comprehensive Income Attributable to Non-controlling Interests	(1,020)	(2,349)	(3,451)	(4,039)	(2,568)
Earnings Per Share	2.16	2.70	4.29	4.20	2.76

Note 1: The consolidated financial report for each year has been audited and certified by CPAs.

1-4 Condensed Statements of Comprehensive Income - IFRS (separate)

Unit: NT$ thousand

Item \ Year	Financial Information of the Recent Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	1,971,726	1,980,733	2,581,683	2,384,968	1,924,251
Gross Profit	446,497	450,889	456,888	399,443	441,266
Operating Income (loss)	160,477	152,299	138,201	53,626	104,487
Non-operating Revenue and Expenses	60,000	120,857	294,546	369,656	183,266
Pre-tax Profit	220,477	273,156	432,747	423,282	287,753
Net Profit From Continuing Operation Current Net Profit	175,680	215,884	338,615	331,509	217,909
Losses From Discontinued Operations	0	0	0	0	0
Net Income (loss) in the Current Period	175,680	215,884	338,615	331,509	217,909
Other Comprehensive Income in the Current Period (Net income after tax)	(87,768)	32,726	(33,109)	33,838	(57,163)
Current Total Comprehensive Income	87,912	248,610	305,506	365,347	160,746
Net profit attributable to owner of the parent company	0	0	0	0	0
Net Profit Attributable to Non-controlling Interests	0	0	0	0	0
Comprehensive Income Attributable to Owners of the Parent Company	0	0	0	0	0
Comprehensive Income Attributable to Non-controlling Interests	0	0	0	0	0
Earnings Per Share	2.16	2.70	4.29	4.20	2.76

Note 1: The consolidated financial report for each year has been audited and certified by CPAs.

(II) Names of CPAs and Audit Opinions for the Most Recent Five Years:

Year	Accounting Firm	CPA	Audit Opinions
2019	KPMG	Chen, Ya-Lin, Su, Yen-Ta	Unqualified Opinion
2020		Chen, Ya-Lin, Su, Yen-Ta	Unqualified Opinion
2021		Tan, Chia-Chien, Su, Yen-Ta	Unqualified Opinion
2022		Tan, Chia-Chien, Su, Yen-Ta	Unqualified Opinion
2023		Tang, Chia-Chien, Huang, Ming-Hong	Unqualified Opinion

II. Financial Analysis for the Most Recent Five Years

(I) Analysis of Important Financial Ratios for the Most Recent Five Years:

1. Based on the International Financial Reporting Standards (IFRS)

1-1 Financial Analysis - IFRS (consolidated)

Analysis Item (Note 2) \ Year (Note 1)		Financial Analysis for the Most Recent Five Years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt to Assets Ratio	41.44	42.00	44.52	40.16	38.78
	Long-term Capital to Real Estate, Plants, and Equipment Ratio	284.56	276.38	317.70	348.93	342.17
Solvency %	Current Ratio	225.46	229.48	270.30	353.01	258.87
	Quick Ratio	179.44	174.93	206.13	294.85	226.87
	Interest Coverage Ratio	18.28	20.53	32.37	29.50	21.34
Operating Capacity	Receivables Turnover Ratio (times)	3.06	2.95	3.27	3.08	3.11
	Average Collection Days	119	123	112	119	117
	Inventory Turnover Ratio (times)	4.05	3.45	3.87	3.76	3.94
	Payables Turnover Ratio (times)	4.86	3.92	4.57	4.85	4.79
	Average Days in Sales	90	105	94	97	93
	Real Estate, Plants, and Equipment Turnover Ratio (times)	3.01	2.82	3.53	3.16	2.69
	Total Asset Turnover (times)	0.75	0.71	0.86	0.73	0.58
Profitability	Return on Asset (%)	4.55	5.17	7.21	6.66	4.5
	Return on Equity (%)	6.97	8.32	12.26	11.07	7.01
	Net Income Before Tax to Paid-in Capital Ratio (%) (Note 7)	35.10	43.61	64.27	63.83	43.22
	Net Profit Margin (%)	5.6	6.84	8.09	8.80	7.27
	Earnings Per Share (NT$)	2.16	2.70	4.29	4.20	2.76
Cash Flow	Cash Flow Ratio (%)	39.44	23.50	23.58	100.00	48.5
	Cash Flow Adequacy Ratio (%)	89.87	83.71	74.73	119.94	160.23
	Cash Reinvestment Ratio (%)	12.04	5.93	4.69	18.27	12.11
Leverage	Operating Leverage	4.47	3.63	3.20	4.07	4.4
	Financial Leverage	1.06	1.05	1.03	1.05	1.06

Please describe the reasons for the variations of financial ratios in the most recent two years. (If the change in increase/decrease is less than 20%, analysis may be exempted.)

1. Solvency %, cash flow ratio, and cash reinvestment ratio decreased: mainly due to the increase in net accounts payable and corporate bonds due within one year for the current period.
2. Total asset turnover ratio decreased: Primarily resulting from a decrease in the revenue for the current period.
3. Return on assets, return on equity, earnings before tax to paid-in capital, and earnings per share decreased: mainly due to the decrease in net profits for the current period.
4. The increase in cash flow adequacy ratio: primarily resulted from the decrease in inventory and operating cost for the current period.

1-2 Financial Analysis - IFRS (separate)

Analysis Item (Note 2) \ Year (Note 1)		Financial Analysis for the Most Recent Five Years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt to Assets Ratio	37.99	37.23	38.88	38.88	35.93
	Long-term Capital to Real Estate, Plants, and Equipment Ratio	1,605.9	1,590.11	2,010.97	1,988.88	1,820.1
Solvency %	Current Ratio	114.28	106.63	146.07	140.36	89.01
	Quick Ratio	104.09	91.82	127.52	128.49	82.95
	Interest Coverage Ratio	30.44	46.88	61.54	45.76	26.47
Operating Capacity	Receivables Turnover Ratio (times)	3.2	3.21	3.54	3.22	3.15
	Average Collection Days	114	114	103	113	116
	Inventory Turnover Ratio (times)	12.63	11.15	14.33	13.65	16.14
	Payables Turnover Ratio (times)	2.67	2.68	3.44	3.07	2.82
	Average Days in Sales	29	33	25	27	23
	Real Estate, Plants, and Equipment Turnover Ratio (times)	10.44	10.54	14.18	12.41	9.72
	Total Asset Turnover (times)	0.49	0.48	0.59	0.49	0.39
Profitability	Return on Asset (%)	4.52	5.36	7.89	7.00	4.62
	Return on Equity (%)	6.99	8.41	12.60	11.19	7.1
	Net Income Before Tax to Paid-in Capital Ratio (%) (Note 7)	27.08	34.60	54.81	53.61	36.44
	Net Profit Margin (%)	8.91	10.9	13.12	13.90	11.32
	Earnings Per Share (NT$)	2.16	2.7	4.29	4.20	2.76
Cash Flow	Cash Flow Ratio (%)	15.81	14.91	(1.71)	38.10	2.4
	Cash Flow Adequacy Ratio (%)	116.63	79.95	64.62	95.11	90.3
	Cash Reinvestment Ratio (%)	3.29	2.48	(3.38)	5.52	(3.5)
Leverage	Operating Leverage	2.31	2.42	2.53	5.76	3.35
	Financial Leverage	1.04	1.04	1.05	1.21	1.12

Please describe the reasons for the variations of financial ratios in the most recent two years. (If the change in increase/decrease is less than 20%, analysis may be exempted.)

1. Solvency %, cash flow ratio, and cash reinvestment ratio decreased: mainly due to the increase in net accounts payable and corporate bonds due within one year for the current period.
2. Property, plants, and equipment turnover ratio, total asset turnover ratio decreased: Primarily resulting from a decrease in the revenue for the current period.
3. Return on assets, return on equity, earnings before tax to paid-in capital, and earnings per share decreased: mainly due to the decrease in net profits for the current period.
4. Operating leverage decreased: Primarily resulting from a decrease in the revenue for the current period.

* A separate financial ratio analysis is required if separate financial reports are prepared.

* If the financial information has adopted IFRS for less than five years, the following financial information shall be prepared separately in table (2) adopting the EAS of R.O.C.

Note 1: The year for which CPAs did not conduct audit or certification must be indicated.

Note 2: Where the Company has stocks listed on the Taiwan Stock Exchange or the Taipei Exchange and there is financial information audited, certified, or reviewed by CPAs in the most recent year prior to the publication date of this annual report, the information must also be

analyzed.
The following calculation formulas must be indicated at the end of the table on the annual report:
1. Financial Structure
(1) Debt to Asset Ratio = Total liabilities/Total assets
(2) Long-term Capital to Property, Plants, and Equipment Ratio= (total equity + non-current liabilities)/Net property, plants, and equipment.
2. Debt Servicing Capability
(1) Current Ratio = Current assets/Current liabilities
(2) Quick Ratio = (current assets - inventory-prepayments)/Current liabilities
(3) Interest Coverage Ratio = Net profit before interest and tax/Interest expenses for the current period
3. Operating Capacity
(1) Receivables (including accounts receivable and notes receivable from business activities) Turnover Ratio = Net sales/Average receivables balance (including accounts receivable and notes receivable from business activities)
(2) Average Collection Period = 365/Receivables turnover ratio
(3) Inventory Turnover Ratio = Sales cost/Average inventory amount
(4) Payables (include payable amounts and payable bills from operation) Turnover Ratio = Sales cost/Balance of average accounts payable in each period (include payable amounts and payable bills from operation)
(5) Average Days in Sales＝365/Inventory turnover ratio
(6) Turnover of Real Estate, Plants, and Equipment = Net sales/Average net value of real estate, plants, and equipment
(7) Total Asset Turnover = Net sales/Average total assets
4. Profitability
(1) Return on Assets = [net profits after tax + interest expense x (1 - tax rate)]/Average total assets
(2) Return on Equity = After tax net profit/Average total equity
(3) Net Profit Margin = After tax net profit/Net sales
(4) Earnings Per Share = (earnings of parent company owner - preferred dividends)/Weighted average number of shares issued (Note 4)
5. Cash Flow
(1) Cash Flow Ratio = Net cash flow from operating activities/Current liabilities
(2) Cash Flow Adequacy Ratio = Net cash flow from operating activities in the most recent five years/(capital expenditure + inventory increase + cash dividends) in the last five years
(3) Cash Flow Reinvestment Ratio = (net cash flow from operating activities - cash dividends)/(gross property, plant, and equipment + long term investments + other non-current assets + working capital) (Note 5)
6. Degree of Leverage
(1) Degree of Operating Leverage = (net operating revenues - variable operating costs and expenses)/operating income (Note 6)
(2) Degree of Financial Leverage = operating income/(operating income - interest expenses)
Note 4: The following must be taken into account for the aforementioned EPS calculation formulas:
1. The weighted average number of common shares rather than the number of shares that have been issued at the end of the year shall apply.
2. In the case of cash capital increase or treasury stock trading, the circulation period shall be

taken into account for the calculation of the weighted average number of shares.
3. In the case of capitalization of retained earnings into new shares or capitalization of capital reserves, retrospective adjustments shall be conducted based on the ratio in capital increase when EPS for the preceding fiscal year or half-year is calculated without the need to consider the period of the capitalization.
4. Where the preferred stocks involved are inconvertible cumulative preferred stocks, the dividends in the current year (regardless of distribution) shall be deducted from the post-tax net profit, or the post-tax net loss must be added. 4. Where the preferred stocks involved are not cumulative in nature, they shall be deducted from the post-tax net profit, if any; no adjustment is needed if there is loss.
Note 5: The following must be taken into account for cash flow analysis:
1. The net cash flow from operating activities means the net cash inflow from operating activities on the cash flow statement.
2. The capital expenditure means the cash outflow from capital investment of the year.
3. The inventory increase shall be counted only when the balance at the end of the period is greater than the balance at the beginning of the period; it is zero in the case of a decreased inventory at the end of the year.
4. The cash dividends include those deriving from common and preferred stocks.
5. The gross property, plants, and equipment means the total property, plants, and equipment before deduction of the accumulated depreciation.
Note 6: The issuer shall classify the operating costs and expenses into the fixed and variable items according to their nature. Where estimation or subject judgment is involved, their reasonableness must be taken into account and consistency must be ensured.
Note 7: Where the issuer’s shares have no par value or have a par value not set at NT$10, the aforementioned calculation based on the paid-in capital ratio shall be changed to be based on the ratio in the equity attributable to parent company shareholders on the balance sheet.

Material Changes in Accounting Titles:

For the increase/decrease ratio reaching more than 10% and the amount of the change reaching more than 1% of the total assets in the current year under comparison of the accounting titles on the balance sheets and income statements in the most recent two years, the reasons of the changes shall be analyzed in detail:

Year / Title	2022		2023		Increase/Decrease		Remarks
	Amount	% (Note 1)	Amount	% (Note 1)	Amount	% (Note 2)	
Financial Assets Measured at Amortized Cost －Current	143,049	2.79%	240,581	4.79%	97,532	68.18%	Primarily resulting from an increase in the time deposits for the current period.
Inventory	567,269	11.07%	423,335	8.43%	(143,934)	(25.37%)	Mainly because products, finished goods and raw materials were lower than the previous period.

Title \ Year	2022 Amount	2022 % (Note 1)	2023 Amount	2023 % (Note 1)	Increase/Decrease Amount	Increase/Decrease % (Note 2)	Remarks
Property, Plant, and Equipment	1,163,430	22.71%	1,036,647	20.65%	(126,783)	(10.90%)	Mainly due to changes in exchange rates during the current period and the effects added in 2022
Short-term Loans	240,000	4.69%	160,000	3.19%	(80,000)	(33.33%)	Primarily resulting from increase/decrease of working capital in two periods.
Corporate bonds payable due within one year or one operating cycle	0	0.00%	495,083	9.86%	495,083	100.00%	Mainly due to the three-year convertible bond mature in 2024.
Corporate Bonds Payable	488,756	9.54%	0	0.00%	(488,756)	(100.00%)	Mainly because the convertible bonds were about to mature and was transferred to a corporate bond payable due within one year.
Other Equity	(92,225)	(1.80%)	(148,902)	(2.97%)	(56,677)	61.46%	Primarily resulting from the difference in exchange from the conversion on the financial statements of overseas operating entities.
Net Operating Revenue	3,727,014	100.00%	2,958,621	100.00%	(768,393)	(20.62%)	Mainly due to the decrease in revenues of the three major business segments, namely connectors, wires and cables, and electronic accessories for the current period.
Operating Costs	(2,620,589)	(70.31%)	(1,950,399)	(65.92%)	670,190	(25.57%)	Mainly due to the decrease in revenue and the increase in profit

Title \ Year	2022		2023		Increase/Decrease		Remarks
	Amount	% (Note 1)	Amount	% (Note 1)	Amount	% (Note 2)	
							from the sale of scraps for the period.
Operating Profit	371,349	9.96%	297,059	10.04%	(74,290)	(20.01%)	Mainly due to the decrease in operating revenue for the period.
Non-operating Revenue and Expenses	132,630	3.56%	44,165	1.49%	(88,465)	(66.70%)	Mainly due to the decrease in gains from foreign currency exchange for the period.
Pre-tax Profit	503,979	13.52%	341,224	11.53%	(162,755)	(32.29%)	Mainly due to the decrease in revenue and non-operating income and expenses for the period.
Current Net Profit	328,082	8.80%	215,018	7.27%	(113,064)	(34.46%)	Primarily resulting from a decrease in pre-tax net profit in current the period.
Other Comprehensive Income in the Current Period	33,226	0.89%	(56,840)	(1.92%)	(90,066)	(271.07%)	Primarily resulting from the difference in exchange from the conversion on the financial statements of overseas operating entities for the period.
Current Total Comprehensive Income	361,308	9.69%	158,178	5.35%	(203,130)	(56.22%)	Primarily resulting from the impact of a decrease of the net profit and in other comprehensive income in the current period.

Note 1: This means the ratio of the same type on each relevant report.

Note 2: This means the change ratio compared to the preceding year as 100%.

III. Audit Committee’s Review Report of the Financial Statements in the Most Recent Year

CviLux Corporation
Audit Report of the Audit Committee

We, the Audit Committee of the Company, hereby acknowledge that the Board of Directors has worked out and submitted hereto the Business Report, financial statements, and proposed allocation of earnings of CviLux Corporation for 2023 and that among them, the financial statements have been duly audited by CPA Tan, Chia-Chien and CPA Huang, Ming-Hung of KPMG which already issued the Audit Report. We hereby further declare and confirm that the aforementioned Business Report, financial statements, and proposed allocation of earnings have been further duly audited by us, the Audit Committee, and no nonconformities were found. We hereby issue this Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please approve.

Submitted to

2024 Annual Shareholders Meeting of CviLux Corporation

CviLux Corporation
Audit Committee Convener Shuling Lin

March 14, 2024

IV. Financial Statements for the Most Recent Year and the CPAs' Audit Report

For the 2023 consolidated financial reports of the Company and subsidiaries as well as the audit report, please referred to the Appendix Pages 195 to 269.

V. Company's Separate Financial Statements for the Most Recent Year Audited by Auditors

For the audited Company's separate financial statements for 2023 and certified by CPAs without material accounting details, please refer to the Appendix Pages 270 to 351.

VI. In the Case of Any Financial Difficulty of the Company or Affiliates in the Most Recent Year and Up to the Publication Date of This Annual Report, the Impact of Such Difficulty on the Company's Financial Status: None

Seven. Review and Analysis of Financial Status and Financial Performance and Risk Issues

I. Financial Status

The main reasons for any material change in the Company's assets, liabilities, or equity in the most recent years, and the effect thereof; where the effect is of material significance, describe the measures to be taken.

Table of Review and Analysis of Financial Status and Financial Performance

Unit: NT$ thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	3,752,490	3,811,763	59,273	1.58
Property, Plant, and Equipment	1,163,430	1,036,647	(126,783)	(10.90)
Other Assets	206,648	171,117	(35,531)	(17.19)
Total Assets	5,122,568	5,019,527	(103,041)	(2.01)
Current Liabilities	1,063,002	1,472,464	409,462	38.52
Long-term Liabilities	597,627	81,304	(516,323)	(86.40)
Other Liabilities	396,588	392,981	(3,607)	(0.91)
Total Liabilities	2,057,217	1,946,749	(110,468)	(5.37)
Capital Stock	789,534	789,561	27	0.00
Capital Surplus	608,100	615,229	7,129	1.17
Retained Earnings	1,759,936	1,819,452	59,516	3.38
Other Equity	(92,225)	(148,902)	(56,677)	61.46
Non-controlling Interest	6	(2,562)	(2,568)	(42,800)
Total Equity	3,065,351	3,072,778	7,427	0.24

For the increase/decrease ratio reaching more than 20% and the amount of change reaching more than NT$ 10 million, the main reasons and effects are described below:

1. Current liabilities: increased year-on-year, mainly due to the increase in corporate bonds payable due within one year.
2. Long-term liabilities: decreased year-on-year mainly due to the corporate bonds payable transfer to due within one year.
3. Other Equities: Increased in the current period compared to same period last year. This is primarily a result of the difference in exchange from the conversion of financial statements of overseas operating entities.

II. Financial Performance

The main reasons for any material change in the Company's operating revenue, operating net profit, and net profit before tax in the most recent two years, and expected sales volume, and its basis on the future finance and business of the Company and countermeasures:

Operation Results Comparison and Analysis Table

Unit: NT$ thousand

Item \ Year	2022	2023	Variable Proportion: Increase/ Decrease in Amount	Variable Proportion: (%)
Net Operating Revenue	3,727,014	2,958,621	(768,393)	(20.62)
Operating Costs	(2,620,589)	(1,950,399)	670,190	(25.57)
Gross Profit	1,106,425	1,008,222	(98,203)	(8.88)
Operating Expenses	(735,076)	(711,163)	23,913	(3.25)
Operating Profit	371,349	297,059	(74,290)	(20.01)
Non-operating Revenue and Expenses	132,630	44,165	(88,465)	(66.70)
Net Profit Before Tax of Continuing Operations	503,979	341,224	(162,755)	(32.29)
Income Tax Expenses	(175,897)	(126,206)	49,691	(28.25)
Current Net Profit	328,082	215,018	(113,064)	(34.46)
Other Comprehensive Income	33,226	(56,840)	(90,066)	(271.08)
Current Total Comprehensive Income	361,308	158,178	(203,130)	(56.22)

For the increase/decrease ratio reaching more than 20% and the amount of change reaching more than NT$10 million, the main reasons and effects are described below:

Description of the Increase/Decrease Ratio:

1. Operating revenue: decreased year-on-year, mainly due to the year-on-year decrease in sales revenue, reflecting the electronics industry in the global inventory adjustment cycle.
2. Operating cost: decreased year-on-year, mainly due to the decrease in revenue and the increase of profit from the sale of scraps for the period.
3. Non-operating income and expenses: decreased year-on-year mainly due to the decrease in gains from foreign currency exchange.
4. Other Comprehensive Income: Decreased in the current period compared to the same period last year. This is primarily a result of the difference in exchange from the conversion of financial statements of overseas operating entities.
5. Net Profit Before Tax of Continuing Operations and Net Profit in the Current Period: Decreased in the current period compared to the same period last year. This is primarily a result of the decrease in revenue and non-operating incomes.
6. Total comprehensive income for the period: Decreased year-on-year, mainly due to a decrease in net profit and other comprehensive income for the period.

III. Cash Flow

(I) Analysis of Liquidity in the Most Recent Two Years

Item \ Year	2022	2023	Increase/ Decrease Ratio
Net Cash Inflow From Operating Activities	1,062,977	714,131	(32.82%)
Net Cash Outflow From Investment Activities	149,993	209,716	39.82%
Net Cash Inflow (outflow) From Financing Activities	(159,240)	(312,053)	95.96%

Analysis and Description of the Increase/Decrease Ratio:
The decrease in net cash inflow from operating activities is primarily a result of a decrease in the net profit before tax in the current period.
The increase in net cash outflow from investing activities is primarily a result of increased financial assets measured at amortized cost.
Increase in net cash outflow from financing activities: mainly due to repayment of bank borrowings.

(II) Cash Liquidity Analysis for the Next Fiscal Year

Cash Balance at the Beginning of the Year (1)	Expected Annual Net Cash Flow From Operating Activities (2)	Expected Annual Cash Outflow (3)	Expected Cash Surplus (deficiency) Amount (1)＋(2) - (3)	Expected Cash Deficiency Remedies	
				Investment Plan	Financial Management Plan
298,058	2,425,763	2,420,351	303,470	0	N/A

Cash Liquidity Analysis for the Next Fiscal Year (2024):
(1) Operating Activities: The Company expects the cash inflow from operating activities for the next fiscal year to primarily be a result of annual operating profit.
(2) Investing Activities: In line with the market and operational needs establish more or improve the equipment.
(3) Financing Activities: The Company plans to distribute cash dividends and remuneration for directors, supervisors, and employees.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures in the Most Recent Year

(I) Usage of major capital expenditures and the source of funds: None

(II) Effect Upon Financial Operations: None

V. Reinvestment Policy in the Most Recent Year, Main Reasons for the Profit/Loss, Improvement Plan, and Investment Plan for the Next Fiscal Year

Remarks / Item	Amount of Profit and Loss in 2023 (NT$ thousand)	Reinvestment Policy	Main Reason for Profit or Loss	Improvement Plan	Other Investment Plans for the Future
CONTEC (B.V.I.) Corp.	143,455	Holding Company	A result of the recognition of investees.	—	—
CviCloud Corporation	(1,210)	IoT, Software and Hardware Integration Services	Due to higher operating costs.	—	—
Cvilux USA Corp. (Cvilux USA)	2,884	Sales of Connectors, Wires, and Cables	Due to the increase in operating revenue.	—	—
Cvilux Korea Corp. (Cvilux Korea)	(2,736)	Sales of Connectors, Wires, and Cables	The break-even point has not yet been achieved as a result of high operating expenses.	—	—
CviMall International Corporation	1,392	Development and Sales of E-commerce and Cosmetics	Due to lower operating costs.	—	—

VI. Risk Analysis and Assessment

(I) The effect of the fluctuation in interest and exchange rates and the inflation on the profit and loss of the Company, and the countermeasures in the future:

8. Interest Rate

Unit: NT$ thousand

Item	2022	2023
Interest Expenses (1)	17,683	16,780
Revenue (2)	3,727,014	2,958,621
(1)/(2)	0.47%	0.57%

The ratio of the Company's interest expenses to revenue was 0.47% in 2022 and 0.57% in 2023. The ratio of the Company's interest income and expenses to revenue is not high; thus, the fluctuation in interest does not create immense impact on the profit and loss of the Company.

9. Exchange Rate

Unit: NT$ thousand

Item	2022	2023
Foreign Exchange Gain/Loss	136,376	10,903
Revenue (2)	3,727,014	2,958,621
(1)/(2)	3.66%	0.37%

The ratio of the Company's foreign exchange gain/loss to revenue was 3.66% in 2022 and 0.37% in 2023, which were not high. However, the Company adopts the principle of stability and conservation for foreign exchange risk management to reduce the effect of exchange rate fluctuation on the Company's operating profits.

To cope with exchange rate fluctuation, the Company takes the following countermeasures:

(1) Fully utilize the receipt and disbursement hedge of the same currency to directly reduce the risk of exchange rate fluctuation.
(2) Set up foreign currency accounts and manage the foreign exchange positions in accordance with the actual demand for funds and the trend of currencies, and flexibly adjust the position of foreign currency held.
(3) Establish regulations relevant to derivatives transactions, and

use FX hedging derivative products to hedge the risk of exchange rate fluctuation.

10. Inflation:

Though there was inflation in 2023 and up to the publication date of the annual report, the Company pays attention to the price fluctuation in the market at all times and maintains good interaction with suppliers and customers. Thus, there is no immense impact of inflation on the Company.

(II) Policies on engaging in high risk and high leverage investments, loaning funds to others, endorsement and guarantee as well as derivative transactions, main reasons for profit and loss, and countermeasures in the future:

1. High-risk and High-leverage Investments: None
2. Funds Loaned to Others: In response to the financial needs for operation of the subsidiaries CviMall International Corporation and Cvilux Korea as well as the third-tier subsidiary CviLux Lao Co., Ltd., the Company loaned funds to both subsidiaries and the third-tier subsidiary. Up to the end of 2023, the amount of funds loaned was NT$187,301 thousand, and the amount of actual funds used was NT$122,820 thousand.
3. Endorsement and Guarantee: In response to the financial needs for operation of the third-tier subsidiaries CviLux Lao Co., Ltd. CviLux Electronics (Dongguan) Co., Ltd., CviCloud Limited, and CviMall International Corporation, the Company made endorsement and guarantee to a bank. Up to the end of 2023, the amount of endorsement/guarantee was NT$198,718 thousand, and the amount of actual endorsement/guarantee used was NT$25,353 thousand.
4. Derivative Products Transaction: None

(III) Future R&D Plan and Expected Funds for R&D:

The investment of the Company in consolidated R&D in 2023 was NT$135 million. In the future, the Company will continue to make plans for advanced technologies, increase the added value of existing products via new technologies and new applications, and enhance the competitiveness of advanced new application products in the market.

In 2024, the Company plans to invest NT$161 million in R&D. In the future, the Company will continue to make plans for advanced technologies, increase the added value of existing products via new technologies and new applications, and enhance the competitiveness of advanced new application products in the market. The abstract of main future R&D plans of the Company is as follows:

Project Title	Project Description	Current Process	Expected Time for Mass Production
High-speed Transmission Signal Completeness Technology Project	Considering that the development and usage of various high-speed transmission standards become more popular in the future, the completeness and retention time of the high-frequency transmission data will be more important. Thus, the Company will continue to focus on researching and developing the technology of connection with respect to relevant characteristics.	In Development	2024
Data Connection Project	The continued expansion of AI applications has driven the increase in demand for servers worldwide. Humongous information and data must be analyzed and applied at high speed. Therefore, the Company will continue to develop stable and high-speed connection related products.	Under planning	2024
Automotive Electronic Connection Project	The growth of the EV market has slowed down, but it is still a key industry for development in the future. Therefore, it is necessary to continue to develop waterproof, shock-resistant, and highly reliable electronic connectors to meet the application needs of future electric/gasoline vehicles and charging pile markets.	Under planning	2024
High Power Connection Technology	Continue to develop feature connectors with high current or high voltage that are highly reliable in response to applications in all new	In Development	2024

Project Title	Project Description	Current Process	Expected Time for Mass Production
Development Project	markets.		
USB Technology Development Project	There are many interfaces for charging and message transmission of electronic products, but the USB continues to be updated along with standards, making the applications continue to expand. Thus, the Company continues to conduct R&D in accordance with updated standards and applications in all emerging fields.	Under planning	2025
Common Cable Connection Technology Development	Flexible cable connectors continue to be used in all equipment, in particular under the continuously swift development of AI PC/NB, so the Company decides to develop connectors with goals such as automation, high reliability, high frequency, lower height, and common high specifications. Moreover, the Company will actively expand additional functions of the connectors.	In Development	2024
FlexibleFFC Development Project	Continue to develop applications with specifications of ultra-high-speed transmission, reduce costs and improve product stability, and continue to refine the micro-interval manufacturing process, to enhance product expansion for application in various fields.	In Development	2024
New Energy Electronic Connection Technology Development Project	In response to sustainable development, various new energy applications continue to develop and continue to research applicable related connectivity products	Under planning	2025

(IV) Impact of the changes in domestic/foreign important policies and laws on the finance and business of the Company and countermeasures:

The Company pays attention to changes in domestic/foreign policies and laws at all times, and makes assessments about their impact on the Company. In the most recent year and up to the publication date of the annual report, the Company did not encounter any changes in domestic/foreign policies and laws that had substantial negative impact on the finance and business.

(V) Impacts of the changes in technology and industry on the finance and business of the Company and countermeasures:

The Company closely follows changes and developments in technologies in the electronics industry to keep up with the trend in the market. In the most recent year, there was no significant changes in technology that had substantial negative impact on the finance and business.

(VI) Impact of the changes in cooperate image on the crisis management of the Company and countermeasures:

In 2023 and up to the publication date of the annual report, the Company has not encountered any changes in cooperate image that have brought about corporate crises.

(VII) Expected benefits, potential risks, and countermeasures from merger or acquisition:

In order to integrate overall resources, reduce management costs, and meet operational needs, the Company, CviLux Corporation, merged with the subsidiary, Hanjun Investment Co., Ltd., through short-form merger on January 25, 2021. CviLux Corporation is the surviving company, and it obtained an approval letter from the Ministry of Economic Affairs on February 25, 2021.

(VIII) Expected benefits, potential risks, and countermeasures from expanding of plants: None.

(IX) Risks faced during material incoming or sales concentration and responsive measures:

The main sources of purchase and product buyers of the Company have different characteristics that depend on their industries as well as different phases of operation. Thus, the Company conducts proper diverse analysis for buyers with respect to the future and the growth trend of their industries. Moreover, we distribute future sources of purchase and product buyers to maintain a more balanced and stable operating outcome. This is also the goal for us to continue our efforts.

(X) Impacts and risks from large transfers of shares held by our company's directors, supervisors, and large shareholders holding more than 10% of shares, and response measures:

In the most recent year and up to the publication date of the annual report, there has not been a large transfer of shares held by the Company's directors, supervisors (the Audit Committee has been set up, thus inapplicable), or large shareholders holding more than 10% of shares. Thus, there is no significant impact on the Company caused by large transfer or exchange of shares.

(XI) Impacts and risks from changes in the Company's operating rights, and response measures:

In the most recent year and up to the publication date of the annual report, there have not been changes in the Company's operating rights. Furthermore, the Company has established a complete internal control system and related management regulations. If changes in operating rights occur, the Company will be able to reduce the risks and impact on the operation.

(XII) For litigation or non-litigation events, please indicate the Company and directors, supervisors, Chief Executive Officer, substantial responsible person, large shareholder holding more than 10% of the shares, and affiliated companies that are involved in significant litigation, non-litigation, or administrative dispute events with affirmative judgment or pending in the court proceeding; where the result may have a substantial impact on the shareholder's equity or stock price, the dispute fact, claim amount, start date of the litigation, primary litigation parties, and the handling status up to the publication date of this annual report shall be disclosed:

In October 2016, the Taiwan New Taipei District Prosecutors Office indicted the Company's responsible person in charge of violating the Securities and Exchange Act for the Company's LED CHIP transactions during Q2 2014 to Q2 2015. The Taiwan New Taipei District Prosecutors Office found the Company's responsible person not guilty in November 2019. However, in February 2020, the prosecutor filed an appeal regarding the above case to the Taiwan High Court, who sentenced the owner of the Company to a prison term of one year and 10 months, in which the person in charge of the Company engaged the lawyers to file an appeal for the third instance. On January 5, 2024, the Supreme Court ruled the person in charge of the Company not guilty and return the case to the Taiwan High Court for re-trial. The Company's operation remains normal, and there is no material impact on the finance and business.

(XIII) Other important risks and countermeasures:

Risk Management Structure

The directors are responsible for monitoring the risk management structure of the consolidated company. The governance officers of different sectors have formed an intersectoral business management meeting to manage the risk management policies of the consolidated company, and reported the meeting's operation to the directors periodically.

The risk management policies of the consolidated company are for identifying and analyzing the risks that the consolidated company faces, setting up risk limitation and control, and monitoring the risks and the conformity of risk limitation. The intersectoral business management meeting reviews the impact of external factors on operation on a regular basis, reflects the situation in the market in a timely manner, and adjusts the operation of the consolidated company appropriately to cope with changes in the market. The consolidated company makes all employees understand their roles and responsibilities through training, management methods, and operating procedures.

The Company’s Board of Directors and the Audit Committee monitor and control the conformity of the consolidated company's risk management policies and procedures, and review the adequacy of the consolidated company’s risk management structure related to the risks faced. Internal audit personnel assist the Audit Committee of the Company in being the supervisory role. Related officers regularly or exceptionally review the control and procedure of risk management, and report the results of the review to the Board of Directors and the Audit Committee.

VII. Other Important Matters: None.

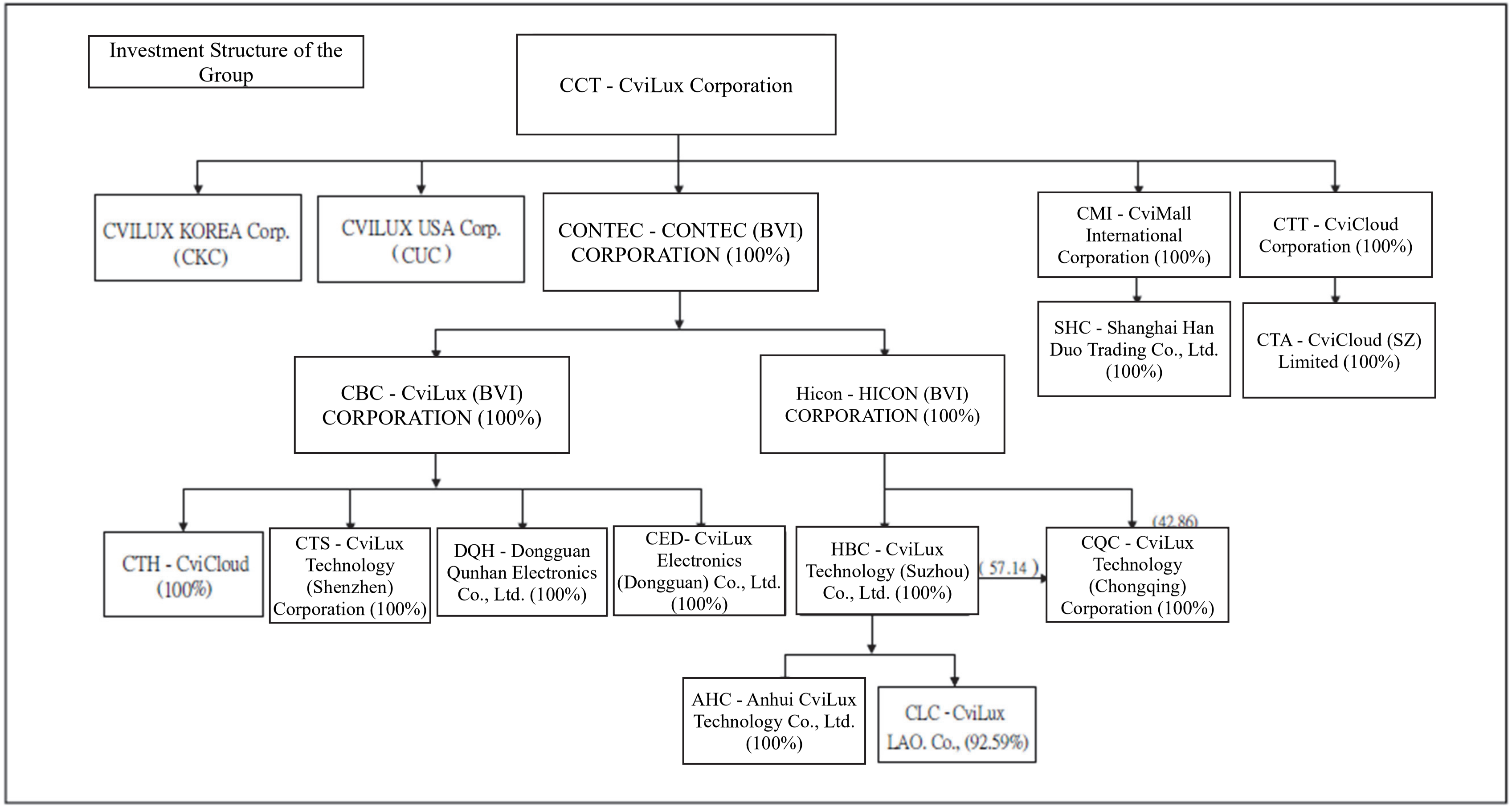
Eight. Special Notes

I. Information on Affiliates in the Most Recent Year

(I) Consolidated Business Report of Affiliated Companies

1. Organizational Chart of Affiliated Companies:

December 31, 2023



2. Basic Information on Affiliated Companies

December 31, 2023

Company	Establishment Date	Address	Paid-in Capital	Primary Business or Production Items
CviLux Corporation	March 1990	9F., No. 9, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan	NT$789,561 thousand	Manufacturing and Sales of Connectors, Wires and Cables
CONTEC (B.V.I.) Corp.	June 2000	P.O. Box 3152, Road Town, Tortola, British Virgin Islands	NT$ 481,884 thousand	Investment Holding
CviLux (B.V.I.) Corp.	July 1998	The Lake Building, 1st Floor, Wickhams Cay 1, P.O. BOX3152, Road Town, Tortola, British Virgin Islands	NT$ 337,569 thousand	Investment Holding
HICON (B.V.I.) Corp.	June 2001	P.O. Box 3152, Road Town, Tortola, British Virgin Islands	NT$ 328,341 thousand	Investment Holding
CviLux Technology (Suzhou) Co., Ltd.	December 2001	No. 245 #215211, Donggang Road, Fenhugaoxin Zone, Wujiang District, Suzhou City, JIANGSU, P.R. CHINA	NT$ 217,775 thousand	Manufacturing and Sales of Connectors, Wires and Cables
Dongguan Qunhan Electronics Co., Ltd.	February 2003	No. 3, Taihe Road, Gaolong Industrial Area, Huanzhuli Village, Changping Town, Dongguan City, GUANGDONG, P.R. CHINA	NT$ 105,194 thousand	Manufacturing and Sales of Connectors, Wires and Cables, Electronic Accessories, etc.
CviLux Electronics (Dongguan) Co., Ltd.	May 2010	No. 2, Taihe Road, Gaolong Industrial Area, Huanzhuli Village, Changping Town, Dongguan City, GUANGDONG, P.R. CHINA	NT$ 264,623 thousand	Manufacturing and Sales of Connectors, Wires and Cables, Electronic Modules, etc.
CviLux Technology (Chongqing) Corporation	July 2011	No. 2609, Xinglong Avenue, Fenghuanghu Industrial Area, Yongchuan District, Chongqing City, P.R. CHINA	NT$ 272,335 thousand	Manufacturing and Sales of Connectors, Wires and Cables
CviLux Technology (Shenzhen) Corporation	July 2013	C-27D, Qianhai Haoyuan, No. 220, Xuefu Road, Daxin Community, Nantou Street, Nanshan District, Shenzhen	NT$ 7,784 thousand	Sales of Connectors, Wires, and Cables
CviCloud (SZ) Limited	April 2014	14A11, Building 4, Shekou Mansion, No. 72, Wanxia Road, Yuyi Community, Shekou	NT$ 55,014 thousand	IoT, Software and Hardware Integration

Company	Establishment Date	Address	Paid-in Capital	Primary Business or Production Items
		Street, Nanshan District, Shenzhen		Services
CviCloud Corporation	April 2014	1F., No. 11, Lane 3, Section 9, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan	NT$ 115,148 thousand	IoT, Software and Hardware Integration Services
Anhui CviLux Technology Co., Ltd.	December 2015	A4 Building, Gongtou SME Park, Hangbu Town, Shucheng County, Liuan City, ANHUI, P.R. CHINA	NT$ 46,170 thousand	Manufacturing and Sales of Connectors, Wires and Cables
Cvilux Lao Co., Ltd	October 2015	KM10, Route No.9 Nongdeun Village, Kaysone Phomvihance District, Savannakhet Province, LAO PDR	NT$ 161,868 thousand	Manufacturing and Sales of Connectors, Wires and Cables
CviMall International Corporation	March 2016	1F., No. 29, Lane 3, Section 1, Zhongzheng East Road, Tamsui District, New Taipei City, Taiwan	NT$ 29,999 thousand	Development and sales of e-commerce
CviLux USA Corporation	October 2017	16000 Bothell-Everett Hwy, Suite 170, Mill Creek, WA98012	NT$ 30,669 thousand	Sales of Connectors, Wires, and Cables
Cvilux KOREA Corporation	January 2019	14, Baranmanse-gil, Hyangnam-eup, Hwaseong-si, Gyeonggi-do, Republic of Korea	NT$ 8,820 thousand	Sales of Connectors, Wires, and Cables
Shenzhen Recon Health Care Cloud Tech. Co., Ltd.	March 2021	No. 309, Nantianhui Creative Innovation Center, Xingdong Community., Xinan Street, Baoan District, Shenzhen City	NT$ 33,332 thousand	Manufacturing and Sales of Medical and Health Care Products
Yuan Han Sensing Technology (Dongguan) Co., Ltd.	October 2015	Room 1108, Unit 2, Building 4, Tianan Digital City, No. 1 Huangjin Road, Nancheng Street, Dongguan City, Guangdong Province	NT$ 44,158 thousand	Manufacturing and sale of sensors and electronic components

3. Information of the Same Shareholders of Entities Presumed to Have a Controlling and Subordinate Relationship: Not applicable.
4. Operating Activities of the Affiliated Companies:
   development and sales of connectors, wire and cable parts and components, and electronic accessories.
5. Information on the Directors, Supervisors, and Presidents of the Affiliated Companies:

December 31, 2023

Company	Title	Name or Representative	Shareholding	
			Shares Held	Shareholding Ratio
CviLux Corporation	Director	YANGTEK CORPORATION Rep.: Steve Yang	6,761,000	8.56
		Chuan Kai Investment Co., Ltd. Rep.: Glen Chu	1,969,091	2.49
		Alex Huang	696,849	0.88
		Lawrence Yang	0	0
		Shuling Lin	0	0
		Yinchun Chuang	0	0
		Alan Yu	0	0
		WeiBo,Lin	0	0
	President	Lawrence Yang		
CONTEC(B.V.I.)Corp.	Director	CviLux Corporation Rep.: Steve Yang	0	0
CviLux(B.V.I.)Corp.	Director	Steve Yang	0	0
HICON(B.V.I.)Corp.	Director	CONTEC(B.V.I.)Corp. Rep.: Steve Yang	0	0
CviLux Technology (Suzhou) Co., Ltd.	Director	Steve Yang	0	0
		Glen Chu	0	0
		Alex Huang	0	0
	President	Glen Chu	0	0
Dongguan Qunhan Electronics Co., Ltd.	Director	Steve Yang	0	0
		Glen Chu	0	0
		Alex Huang	0	0
CviLux Electronics (Dongguan) Co., Ltd.	Director	Steve Yang	0	0
		Glen Chu	0	0
		Alex Huang	0	0
	President	Lawrence Yang	0	0
	Supervisor	Johnson Hsu	0	0
CviLux Technology (Chongqing) Corporation	Director	Steve Yang	0	0
		Glen Chu	0	0
		Alex Huang	0	0
	President	Glen Chu	0	0

Company	Title	Name or Representative	Shareholding	
			Shares Held	Shareholding Ratio
	Supervisor	Johnson Hsu	0	0
CviLux Technology (Shenzhen) Corporation	Director	Steve Yang	0	0
		Glen Chu	0	0
		Lawrence Yang	0	0
	President	Lawrence Yang	0	0
	Supervisor	Johnson Hsu	0	0
CviCloud (SZ) Limited	Director	Lawrence Yang	0	0
	President	Lawrence Yang	0	0
	Supervisor	Chen, Pin-Jin	0	0
CviCloud Corporation (Taipei)	Director	CviLux Corporation Rep.: Steve Yang	11,514,800	100
	Supervisor	CviLux Corporation Rep.: Weiling Yuan	11,514,800	100
Anhui CviLux Technology Co., Ltd.	Director	Lawrence Yang	0	0
	Supervisor	Johnson Hsu	0	0
Cvilux Lao Co., Ltd	Director	Steve Yang	0	0
CviMall International Corporation	Director	CviLux Corporation Rep.: Steve Yang	2,999,900	100
	Supervisor	CviLux Corporation Rep.: Weiling Yuan	2,999,900	100
CviLux USA Corp.	Director	Steve Yang	0	0
Cvilux KOREA Corp.	Director	Lawrence Yang	0	0

6. Business Overview of Affiliated Companies

The Financial Status and Operation Results of Affiliated Companies (Note 1):

December 31, 2023; Unit: NT$ thousand

Company	Capital	Total Value of Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	After Tax	Earnings Per Share (after tax) (NT$)
CviLux Corporation	789,561	4,799,847	1,724,507	3,075,340	1,924,251	104,487	217,909	2.76
CONTEC(B.V.I.)Corp.	481,884	3,405,197	0	3,405,197	0	(108)	143,455	
CviLux(B.V.I.)Corp.	337,569	1,425,311	32,877	1,392,434	0	(51,889)	36,643	
HICON(B.V.I.)Corp.	328,341	1,986,916	0	1,986,916	0	0	106,450	
CviLux Technology (Suzhou) Co., Ltd.	217,775	1,796,931	202,630	1,594,301	784,535	54,029	76,133	
Dongguan Qunhan Electronics Co., Ltd.	105,194	340,170	144,444	195,726	318,869	(7,948)	(2,900)	
CviLux Electronics (Dongguan) Co., Ltd.	264,623	1,027,944	186,992	840,952	715,559	80,803	81,450	
CviLux Technology (Chongqing) Corporation	272,335	919,732	97,137	822,595	428,582	76,126	70,681	
CviLux Technology (Shenzhen) Corporation	7,784	404,725	131,593	273,132	481,351	19,480	10,330	
CviCloud (SZ) Limited	55,014	15,362	2,287	13,075	3,874	2,433	2,387	
CviCloud Corporation	115,148	71,520	30,797	40,723	66,924	(4,080)	(1,210)	
Anhui CviLux Technology Co., Ltd.	46,170	41,703	1,072	40,631	26,195	955	1,166	
Cvilux Lao Co., Ltd	161,868	114,279	148,859	(34,580)	72,018	(19,265)	(39,017)	
CviMall International Corporation	29,999	3,427	97	3,330	6,500	1,717	1,392	
Shanghai Han Duo Trading Co., Ltd.	0	0	0	0	0	(2)	(2)	
CviLux USA Corp.	30,669	21,599	20,378	1,221	42,952	3,007	2,884	
Cvilux KOREA Corp.	8,820	2,882	6,723	(3,841)	1,927	(4,893)	(2,736)	
Shenzhen Recon Health Care Cloud Tech. Co., Ltd.	33,332	14,516	24,993	(10,477)	8,353	(8,041)	(8,123)	
Yuan Han Sensing Technology (Dongguan) Co., Ltd.	44,158	43,182	0	43,182	0	(134)	(134)	

Note 1: For affiliates that are foreign companies, relevant numbers are converted into NT$ based on the exchange rate on the publication date of this table.

(II) Consolidated Financial Statements and the CPAs' Report of the Affiliated Companies: Please refer to page 195.

(III) Affiliation Reports: None.

II. Private placement of securities in the most recent year and up to the publication date of the annual report: None.

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year and up to the publication date of the annual report: None.

IV. Additional Information Required to be Disclosed:

(I) The Enterprise Internal Control Basic Ability Test Held by the Securities and Futures Institute

Audit Office: Two people - the chief auditor and the audit personnel.

Chairman Office: One person - the management specialist.

Management Department: One person - the personnel manager.

Financial Department: Three people - the accountant staff.

Business Supporting Department: One person - the customer service supervisor.

(II) The Basic Ability Test for the Stock Affair Specialist Held by the Securities and Futures Institute

Audit Office: One person - the audit personnel

Financial Department: Four people - the financial accounting managers and the accountant staff.

(III) The Basic Ability Test for Corporate Governance Held by the Securities and Futures Institute

Chairman Office: Two people - the corporate governance manager and the management specialist.

Financial Department: Two people - the financial accounting managers and the accountant staff.

(IV) The Senior Securities Specialist Qualification Test Held by the Securities and Futures Institute

Chairman Office: One person - the corporate governance manager.

(V) The Futures Specialist Qualification Test Held by the Securities and Futures Institute

Chairman Office: One person - the corporate governance manager.

(VI) The Securities Specialist Qualification Test Held by the Securities and Futures Institute

Chairman Office: One person - the corporate governance manager.

Financial Department: One person - the accountant staff.

Nine. Events Having Material Impact on Shareholders' Equity or Securities Price

Any of the Matters Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, Which May Have Significant Impact on the Shareholders' Equity of the Price of Securities in the Most Recent Year and up to the Publication Date of This Annual Report: None.

CviLux Corporation
Statement on the Internal Control System

Date: March 14, 2024

Based on the result of self-assessment of CviLux's internal control system in 2023, we hereby declare the following:

I. The Company acknowledges that the Board of Directors and managers are responsible for the establishment, implementation, and maintenance of the internal control system, and it has established a system as such to provide reasonable assurance for achievement of the objectives concerning the effectiveness and efficiency of operations (including profits, performance, and protection of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.

II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.

III. The Company determines the effectiveness of the design and operation of the internal control system, referencing the effectiveness of items to be determined of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The internal control systems are divided into the following five constituent elements in the management control process in terms of the items to be judged pursuant to the "Regulations": 1. Environment control; 2. Risk assessment; 3. Activities control; 4. Information and communications; and 5. Activities monitoring. Each constituent element contains a number of items. Refer to the provisions of the above-mentioned "Regulations".

IV. The Company has adopted the aforementioned items to examine the effectiveness of the design and implementation of our internal control system.

V. Based on the result of the aforementioned assessment, the Company determined that, as of December 31, 2023, the design and implementation of our internal control system (including supervision and management of subsidiaries) have worked well regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with relevant regulations, providing reasonable assurance that the above objectives have been achieved.

VI. The Declaration is to be part of the main contents of our annual reports and prospectuses, and released to the public. If there is any misrepresentation, nondisclosure, or other illegality in the contents open to the public referred to in the previous sentence, legal responsibility specified in Articles 20, 32, 171, and 174 of the Securities and Exchange Act shall apply.

VII. The Declaration was adopted by the Board of Directors during the meeting on March 14, 2024. All seven Directors present approved the content of the Declaration, and none of them expressed dissent. This information is declared as an addition.

CviLux Corporation

Chairman: Steve Yang signature

President: Glen Chu Signature/Stamp

Stock Code:8103

CVILUX CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

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

Address: 9F., No.9. Ln.3. Sec. 1, Zhongzheng E. Rd., Tamsui Dist., New Taipei City, Taiwan.
Telephone: 886-2-2620-1000

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

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Representation Letter

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

Company name: CviLux Corporation
Chairman: Chao-Chun, Yang
Date: March 14, 2024

Independent Auditors' Report

To the Board of Directors of CviLux Corporation:

Opinion

We have audited the consolidated financial statements of CviLux Corporation and its subsidiaries (" the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Valuation for slow-moving inventories

Please refer to note 4(h) "Inventories" for accounting policy, note 5 for accounting assumption, judgments, and estimation uncertainty to the consolidated financial statement, and note 6(f) for the illustration of the evaluation of inventories.

Description of key audit matters:

In order to meet shipping demands, the Group has increased its stock volume, which requires the management to use its subjective judgment in valuating the slow-moving inventories. Therefore, the valuation for slow-moving inventories has been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management' s estimates on inventory provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management' s methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tang, Chia-Chien and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

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

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

CVILUX CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 2,152,923	43	1,980,468	39
1110	Financial assets at fair value through profit or loss－current (note 6(b))	19,821	1	23,664	-
1136	Financial assets at amortized cost-current (note 6(c))	240,581	4	143,049	3
1150	Notes receivable, net (notes 6(d) and (t))	10,290	-	10,482	-
1170	Accounts receivable, net (notes 6(d) and (t))	910,992	18	966,453	19
1180	Accounts receivable-related parties, net (notes 6(d), (t) and 7)	1,374	-	2,177	-
1200	Other receivables (note 6(e))	3,989	-	6,728	-
1210	Other receivables-related parties (notes 6(e) and 7)	3	-	789	-
130X	Inventories (note 6(f))	423,335	9	567,269	11
1410	Prepayments	47,781	1	50,970	1
1470	Other current assets	674	-	441	-
	Total current assets	3,811,763	76	3,752,490	73
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (notes 6(b) and (n))	-	-	50	-
1550	Investments accounted for using equity method (note 6(g))	6,171	-	-	-
1600	Property, plant and equipment (notes 6(h), 8 and 9)	1,036,647	20	1,163,430	23
1755	Right-of-use assets (notes 6(j) and 7)	90,953	2	134,478	3
1780	Intangible assets (notes 6(k) and 9)	24,589	1	16,622	-
1840	Deferred tax assets (note 6(q))	35,725	1	35,600	1
1915	Prepayments for business facilities (note 6(i))	2,529	-	8,341	-
1990	Other non-current assets	11,150	-	11,557	-
	Total non-current other assets	1,207,764	24	1,370,078	27
	Total assets	$ 5,019,527	100	5,122,568	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ 160,000	3	240,000	5
2150	Notes payable	2,243	-	189	-
2170	Accounts payable	426,098	8	385,822	7
2200	Other payables (note 6(u))	226,069	4	258,861	5
2220	Other payables-related parties (note 7)	-	-	315	-
2230	Current tax liabilities	57,744	1	55,466	1
2280	Lease liabilities－current (note 6(o))	29,343	1	36,967	1
2300	Other current liabilities (note 6(t))	51,977	1	55,189	1
2321	Bonds payable, current portion (note 6(n))	495,083	10	-	-
2322	Long-term borrowings, current portion (notes 6(m) and 8)	23,907	1	30,193	1
	Total current liabilities	1,472,464	29	1,063,002	21
	Non-Current liabilities:				
2530	Bonds payable (note 6(n))	-	-	488,756	10
2540	Long-term borrowings (notes 6(m) and 8)	81,304	2	108,871	2
2570	Deferred tax liabilities (note 6(q))	312,892	6	281,490	5
2580	Lease liabilities－non-current (note 6(o))	6,272	-	35,738	1
2640	Net defined benefit liability, non-current (note 6(p))	73,305	2	71,411	1
2645	Guarantee deposits received	512	-	230	-
2650	Credit balance of investments accounted for using equity method (note 6(g))	-	-	7,719	-
	Total non-current liabilities	474,285	10	994,215	19
	Total liabilities	1,946,749	39	2,057,217	40
	Equity (notes 6(g), (n) and (r)):				
3100	Ordinary shares	789,561	16	789,534	15
3200	Capital surplus	615,229	12	608,100	12
3300	Retained earnings	1,819,452	36	1,759,936	35
3410	Other equity interests	(148,902)	(3)	(92,225)	(2)
	Total equity attributable to owners of parent	3,075,340	61	3,065,345	60
36xx	**Non-controlling interests**	(2,562)	-	6	-
	Total equity	3,072,778	61	3,065,351	60
	Total liabilities and equity	$ 5,019,527	100	5,122,568	100

See accompanying notes to consolidated financial statements.

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

CVILUX CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
	Operating Revenues:				
4111	Sales revenue	$ 3,032,384	102	3,807,095	102
4170	Less: sales returns	(13,604)	-	(17,188)	-
4190	sales discounts and allowances	(60,159)	(2)	(62,893)	(2)
	Operating revenue (notes 6(t) and 7)	2,958,621	100	3,727,014	100
5000	**Operating costs (notes 6(f), (h), (j), (k), (o), (p), (u) and 7)**	(1,950,399)	(66)	(2,620,589)	(70)
	Gross profit from operations	1,008,222	34	1,106,425	30
	Operating expenses (notes 6(d), (h), (i), (j), (k), (o), (p), (u) and 7):				
6100	Selling expenses	(226,889)	(8)	(272,020)	(7)
6200	Administrative expenses	(347,073)	(12)	(345,651)	(10)
6300	Research and development expenses	(135,884)	(4)	(115,875)	(3)
6450	Expected credit loss	(1,317)	-	(1,530)	-
	Total operating expenses	(711,163)	(24)	(735,076)	(20)
	Net operating income	297,059	10	371,349	10
	Non-operating income and expenses (notes 6(g), (h), (n), (o), (v) and 7):				
7100	Interest income	34,578	1	16,974	-
7010	Other income	3,549	-	3,312	-
7020	Other gains and losses	25,746	1	138,866	4
7050	Finance costs	(16,780)	(1)	(17,683)	-
7770	Share of loss of associates accounted for using equity method	(2,928)	-	(8,839)	-
	Total non-operating income and expenses	44,165	1	132,630	4
	Income before tax	341,224	11	503,979	14
	Less: income tax expense (note 6(q))	(126,206)	(4)	(175,897)	(5)
	Net income	215,018	7	328,082	9
8300	**Other comprehensive income (notes 6(p) and (r)):**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(608)	-	5,356	-
8349	Income tax related to items that may not be reclassified to profit or loss	(122)	-	1,071	-
	Total items that may not be reclassified subsequently to profit or loss	(486)	-	4,285	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statement	(56,354)	(2)	28,941	1
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(56,354)	(2)	28,941	1
8300	**Other comprehensive income (loss)**	(56,840)	(2)	33,226	1
	Total comprehensive income	**$ 158,178**	**5**	**361,308**	**10**
	Profit attributable to:				
8610	Owners of parent	$ 217,909	7	331,509	9
8620	Non-controlling interests	(2,891)	-	(3,427)	-
		$ 215,018	**7**	**328,082**	**9**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 160,746	5	365,347	10
8720	Non-controlling interests	(2,568)	-	(4,039)	-
		$ 158,178	**5**	**361,308**	**10**
	Earnings per share (expressed in New Taiwan Dollars) (note 6(s))				
9750	**Basic earnings per share**	**$ 2.76**		**4.20**	
9850	**Diluted earnings per share**	**$ 2.44**		**3.67**	

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CVILUX CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 789,534	608,083	398,744	90,884	1,092,421	1,582,049	(121,778)	2,857,888	4,045	2,861,933
Net income (loss)	-	-	-	-	331,509	331,509	-	331,509	(3,427)	328,082
Other comprehensive income	-	-	-	-	4,285	4,285	29,553	33,838	(612)	33,226
Total comprehensive income	-	-	-	-	335,794	335,794	29,553	365,347	(4,039)	361,308
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	33,640	-	(33,640)	-	-	-	-	-
Special reserve	-	-	-	30,894	(30,894)	-	-	-	-	-
Cash dividends	-	-	-	-	(157,907)	(157,907)	-	(157,907)	-	(157,907)
Other changes in capital surplus	-	17	-	-	-	-	-	17	-	17
Balance at December 31, 2022	789,534	608,100	432,384	121,778	1,205,774	1,759,936	(92,225)	3,065,345	6	3,065,351
Net income (loss)	-	-	-	-	217,909	217,909	-	217,909	(2,891)	215,018
Other comprehensive income	-	-	-	-	(486)	(486)	(56,677)	(57,163)	323	(56,840)
Total comprehensive income	-	-	-	-	217,423	217,423	(56,677)	160,746	(2,568)	158,178
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	33,579	-	(33,579)	-	-	-	-	-
Special reserve	-	-	-	(29,553)	29,553	-	-	-	-	-
Cash dividends	-	-	-	-	(157,907)	(157,907)	-	(157,907)	-	(157,907)
Changes in equity of associates and joint ventures accounted for using equity method	-	7,057	-	-	-	-	-	7,057	-	7,057
Conversion of convertible bonds	27	72	-	-	-	-	-	99	-	99
Balance at December 31, 2023	**$ 789,561**	**615,229**	**465,963**	**92,225**	**1,261,264**	**1,819,452**	**(148,902)**	**3,075,340**	**(2,562)**	**3,072,778**

See accompanying notes to consolidated financial statements.

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

CVILUX CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Income before tax	$ 341,224	503,979
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	226,029	224,470
Amortization expense	12,201	12,395
Expected credit loss	1,317	1,530
Net loss on financial assets at fair value through profit or loss	409	3,556
Interest expense	16,780	17,683
Interest income	(34,578)	(16,974)
Dividend income	(47)	(150)
Shares of loss of associates accounted for using equity method	2,928	8,839
Loss on disposal of property, plant and equipment	1,751	4,313
Prepayments for business facilities and property, plant and equipment transferred to expenses	298	3,198
Loss on disposal of investments	19	-
Lease modifications gains	-	(28)
Total adjustments to reconcile profit	227,107	258,832
Changes in operating assets/ liabilities:		
Acquistion of financial assets at fair value through profit or loss	(9,195)	(8,976)
Proceeds from disposal of financial assets at fair value through profit or loss	12,594	7,489
Notes and accounts receivable	46,985	469,241
Accounts receivable-related parties	803	(180)
Other receivables	2,641	4,087
Other receivable-related parties	785	(18)
Inventories	134,812	266,005
Prepaidments and other current assets	5,230	1,025
Total changes in operating assets	194,655	738,673
Changes in operating liabilities:		
Notes and accounts payable	49,652	(318,361)
Other payable	(20,503)	(30,083)
Other payables to related parties	-	315
Other current liabilities	(6,143)	(1,614)
Net defined benefit liability	1,286	604
Total changes in operating liabilities	24,292	(349,139)
Cash inflow generated from operations	787,278	1,152,345
Interest received	37,690	17,496
Dividends received	47	150
Interest paid	(18,604)	(13,024)
Income taxes paid	(92,280)	(93,990)
Net cash flows from operating activities	714,131	1,062,977
Cash flows from (used in) investing activities:		
(Decrease) increase in financial assets at amortized cost	(101,676)	17,159
Acquisition of investments accounted for using equity method	(8,830)	-
Acquisition of property, plant and equipment	(84,232)	(153,744)
Proceeds from disposal of property, plant and equipment	2,856	1,577
Decrease in refundable deposits	201	245
Acquisition of intangible assets	(15,473)	(12,244)
Increase in prepayments for business facilities	(2,562)	(2,986)
Net cash used in investing activities	(209,716)	(149,993)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	530,000	1,888,031
Decrease in short-term borrowings	(610,000)	(1,872,158)
Proceeds from long-term borrowings	-	60,000
Repayments of long-term borrowings	(36,624)	(35,998)
Payments of lease liabilities	(37,813)	(40,045)
Increase (decrease) in guaranteed deposits received	291	(1,180)
Cash dividends paid	(157,907)	(157,907)
Others	-	17
Net cash used in financing activities	(312,053)	(159,240)
Effect of exchange rate changes on cash and cash equivalents	(19,907)	35,923
Net increase in cash and cash equivalents	172,455	789,667
Cash and cash equivalents at beginning of period	1,980,468	1,190,801
Cash and cash equivalents at ending of period	**$ 2,152,923**	**1,980,468**

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

CVILUX CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

CviLux Corporation (the "Company") was incorporated on March 16, 1990 as a company limited by shares and registered under the Ministry of Economic Affairs (MOEA) of the Republic of China (R.O.C.). The address of Company's registered office is 9F., No.9, Ln. 3, Sec. 1, Zhongzheng E. Rd., Tamsui Dist., New Taipei City. The Company and its subsidiaries ("the Group")'s major operating activities are the assembling, manufacturing, processing, and trading of connectors used in the electronic industry, electrical machinery, communication cable wires, and computer equipment.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

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

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

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

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

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

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial assets at fair value through profit or loss are measured at fair value;

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

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries.

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Note
The company	CONTEC (B.V.I.) Corp. (CONTEC)	Holding company	100 %	100 %	
〃	Cvicloud Corp. (CTT)	Integration services for IoT, hardware and software system	100 %	100 %	
〃	Cvilux USA Corporation (CUC)	Sale of connectors, cable assemblies	100 %	100 %	
〃	Cvilux Korea Corp. (CKC)	Sale of connectors, cable assemblies	100 %	100 %	
〃	CviMall International Corp. (CMI)	Development and sale of e-commerce and cosmetics	100 %	100 %	
CONTEC	Cvilux (B.V.I.) Corp. (CBC)	Holding company	100 %	100 %	
〃	HICON (B.V.I.) Corp. (HICON)	Holding company	100 %	100 %	
Cvilux (B.V.I.)	Dongguan Qunhan Electronics Co., Ltd.-Factory (DQH)	Manufacture and sale of connectors and cable assemblies	100 %	100 %	
〃	CviLux Electronics (Dongguan) Co., Ltd. (CED)	Manufacture and sale of connectors, cable assemblies, electronic modules	100 %	100 %	
〃	CviLux Technology (Shenzhen) Corporation (CTS)	Sale of connectors, cable assemblies	100 %	100 %	
〃	CviCloud (HK) Limited (CTH)	Holding company	- %	100 %	Note 1
HICON	CviLux Technology (Suzhou) Co.,Ltd - Factory (HBC)	Manufacture and sale of connectors and cable assemblies	100 %	100 %	
〃	CviLux Technology (Chongqing) Corporation-Factory (CQC)	Manufacture and sale of connectors and cable assemblies	42.86 %	42.86 %	

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2023	Shareholding December 31, 2022	Note
HBC	CviLux Technology (Chongqing) Corporation-Factory (CQC)	Manufacture and sale of connectors and cable assemblies	57.14 %	57.14 %	
〃	ANHUI CVILUX TECHNOLOGY CO.,LTD. (AHC)	Manufacture and sale of connectors and cable assemblies	100 %	100 %	
〃	Cvilux Lao Co., Ltd (CLC)	Manufacture and sale of connectors and cable assemblies	92.59 %	92.59 %	
CMI	Shanghai Han Duo Trading co., LTD.(SHC)	Development and sale of e-commerce and cosmetics	- %	100 %	Note 2
CTT	CviCloud (SZ) Limited (CTA)	Integration services for IoT, hardware and software system	100 %	100 %	

Note 1: The liquidation of CTH had been approved by the Company's board in November 2022, wherein all relevant registration procedures had been completed in the 4th quarter of 2023.

Note 2: The liquidation of SHC had been approved by the Company's board in December 2021, wherein all relevant registration procedures had been completed in the 2nd quarter of 2023.

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

(d) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

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

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

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

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

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments that do not affect its classification.

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as financial assets at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Impairment of financial assets

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

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

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

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

Loss allowance for notes and accounts receivable are always measured at an amount equal to lifetime ECL.

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when the financial asset is more than one years past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being more than one year past due;

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

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

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

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

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

5) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Financial liabilities

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

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

2) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3) Derecognition of financial liabilities

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

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

4) Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures: 5 to 55 years

2) Machinery and equipment: 2 to 15 years

3) Other equipment: 1 to 10 years

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

(k) Leases

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

(i) As a leasee

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

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

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

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

— fixed payments, including in-substance fixed payments;

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

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

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

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

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

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

— there is any lease modification

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

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

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

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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

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

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The intangible assets of the Group is connector patents, trade marks and computer software, the estimated useful life was two to five years.

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

(m) Impairment of non-financial assets

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

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

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

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

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

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

(n) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that was not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(o) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as reduction of assets at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as reduction of depreciation on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(q) Income taxes

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

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

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

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

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

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

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

(s) Operating segment

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

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

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

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

The Group likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts. Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the consolidated financial statements.

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

- Valuation of inventories

  As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The valuation of the inventory is mainly determined basing on the demand of products in the future. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	$ 2,107	6,591
Demand deposits	1,711,199	1,794,285
Time deposits	439,617	179,592
	$ 2,152,923	**1,980,468**

Please refer to note 6(w) for credit risk and market risk information of the financial assets of the Group.

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss— current:		
Non-derivative financial assets		
Funds	$ 5,521	5,414
Foreign corporate bonds	11,866	10,748
Stocks listed on foreign markets	2,128	6,989
Financial assets designated at fair value thorough profit or loss:		
Preferred stock listed on foreign markets	306	513
	$ 19,821	**23,664**
Mandatorily measured at fair value through profit or loss— non-current:		
Convertible bonds with embedded derivatives	**$ -**	**50**

(i) The derivative financial instruments arising from the issuance of convertible bonds of the Group were stated in note 6(n).

(ii) For credit risk and market risk information, please refer to note 6(w).

(iii) The financial assets were not collateralized.

(c) Financial assets at amortized cost－current

		December 31, 2023	December 31, 2022
Time deposits－current	$	240,581	112,845
Restricted deposits－current		-	30,204
	$	**240,581**	**143,049**

(i) Due to the Group's investment in the government projects that has yet to be completed and in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Group's restricted bank deposits shall not be diverted for other purposes except for the approved plans.

(ii) For credit risk, please refer to note 6(w).

(d) Notes and accounts receivable

		December 31, 2023	December 31, 2022
Notes receivable	$	10,290	10,482
Accounts receivable		923,843	978,130
Accounts receivable－related parties		1,374	2,177
Subtotal		935,507	990,789
Less: Loss allowance		(12,851)	(11,677)
	$	**922,656**	**979,112**

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

	December 31, 2023			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	884,855	0%~0.23%	7,977
Overdue 1~30 days		34,485	0%~9.86%	1,299
Overdue 31~90 days		13,376	0%~80.23%	1,421
Overdue 91~180 days		539	0%~94.81%	22
Overdue 181~365 days		503	71.57%~100%	383
Overdue more than 366 days		1,749	100%	1,749
	$	**935,507**		**12,851**

	December 31, 2022			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	931,174	0%~0.25%	6,357
Overdue 1~30 days		31,820	0%~13.67%	1,107
Overdue 31~90 days		14,787	0%~84.98%	801
Overdue 91~180 days		10,902	0%~97.69%	1,352
Overdue 181~365 days		322	72.62%~100%	276
Overdue more than 366 days		1,784	100%	1,784
	$	**990,789**		**11,677**

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

		2023	2022
Balance at January 1	$	11,677	10,252
Impairment loss recognized		1,317	1,530
Amounts written off		-	(186)
Effect of movement in exchange rates		(143)	81
Balance at December 31	$	**12,851**	**11,677**

As of December 31, 2023 and 2022, the notes and accounts receivable were no pledged as collateral for borrowings. Other credit risk information please refer to note 6(w).

(e) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	$ 14,556	17,492
Other receivables－related parties	3	789
Subtotal	14,559	18,281
Less: loss allowance	(10,567)	(10,764)
	$ 3,992	**7,517**

As of December 31, 2023 and 2022, the other receivable were no pledged as collateral for borrowings. Other credit risk information please refer to note 6(w).

(f) Inventories

(i) The details of inventories were as follows:

	December 31, 2023	December 31, 2022
Finished goods	$ 162,960	188,002
Work in progress	68,615	77,664
Raw materials	75,454	126,886
Supplies	6,432	6,241
Merchandise	109,874	168,476
	$ 423,335	**567,269**

(ii) Except for cost of goods sold, the gains or losses which were recognized as operating cost were as follows:

	2023	2022
Losses on valuation of inventories	$ 1,603	2,732
Unallocated production overheads	30,950	50,044
Loss on obsolescence	4,927	26,522
Gains from disposal of scraps	(113,367)	(90,711)
Gains (losses) on inventory count	35	143
	$ (75,852)	**(11,270)**

(iii) The inventories were not pledged as collateral for borrowings.

(g) Investments accounted for using equity method (credit balance)

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

	December 31, 2023	December 31, 2022
Associates	$ 6,171	(7,719)

(i) Associates

On April 30, 2021, the Group acquired 42.76% shares of Shenzhen Recon Healthcare Cloud Tech Co., Ltd. (SRT) for $7,756 thousand, resulting in the Group to have significant influence over it. However, SRT conducted cash capital increase in the 2nd, 3rd and 4th quarter of 2023, wherein the Group did not to subscribe proportionately, resulting in the Group’s shareholding in SRT to decrease from 42.76% to 25.87%, having to recognize the capital surplus of $7,055 thousand.

On September 30, 2023, the Group acquired 20.83% shares of Cvilux Sensor Technology (Dongguan) Co., Ltd. (CST) for $8,830 thousand, resulting in the Group to have significant influence over it. However, CST conducted cash capital increase in the 4th quarter of 2023, wherein the Group did not to subscribe proportionately, resulting in the Group’s shareholding in CST to decrease from 20.83% to 19.98%, having to recognize the capital surplus of $2 thousand.

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

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	$ 6,171	(7,719)

	2023	2022
Attributable to the Group:		
Loss from continuing operations	$ (2,928)	(8,839)
Other comprehensive income	-	-
Comprehensive income	$ (2,928)	(8,839)

(ii) Pledge

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

(h) Property, plant and equipment

(i) The movements were as follows:

	Land	Building and structure	Machinery and equipment	Other equipment	Unfinished construction	Total
Cost or deemed cost:						
Balance at January 1, 2023	$ 90,472	611,379	1,423,039	113,957	14,262	2,253,109
Additions	-	6,646	58,080	7,936	6,811	79,473
Disposals	-	(1,373)	(49,621)	(3,789)	-	(54,783)
Reclassification	-	641	15,450	1,315	(14,108)	3,298
Effect of movements in exchange rates	-	(15,852)	(27,933)	(694)	(147)	(44,626)
Balance at December 31, 2023	**$ 90,472**	**601,441**	**1,419,015**	**118,725**	**6,818**	**2,236,471**
Balance at January 1, 2022	$ 90,472	609,718	1,328,555	102,935	45,088	2,176,768
Additions	-	5,648	118,853	11,959	14,305	150,765
Disposals	-	(373)	(60,136)	(1,092)	-	(61,601)
Reclassification	-	4,619	28,456	(165)	(45,863)	(12,953)
Effect of movements in exchange rates	-	(8,233)	7,311	320	732	130
Balance at December 31, 2022	**$ 90,472**	**611,379**	**1,423,039**	**113,957**	**14,262**	**2,253,109**
Depreciation:						
Balance at January 1, 2023	$ -	223,838	783,647	82,194	-	1,089,679
Depreciation	-	37,469	134,588	12,691	-	184,748
Disposals	-	(1,373)	(45,203)	(3,600)	-	(50,176)
Effect of movements in exchange rates	-	(6,765)	(15,730)	(1,932)	-	(24,427)
Balance at December 31, 2023	**$ -**	**253,169**	**857,302**	**89,353**	**-**	**1,199,824**
Balance at January 1, 2022	$ -	189,035	723,427	71,181	-	983,643
Depreciation	-	36,687	132,227	13,697	-	182,611
Disposals	-	(373)	(54,340)	(998)	-	(55,711)
Reclassification	-	-	(22,263)	(829)	-	(23,092)
Effect of movements in exchange rates	-	(1,511)	4,596	(857)	-	2,228
Balance at December 31, 2022	**$ -**	**223,838**	**783,647**	**82,194**	**-**	**1,089,679**
Carrying amounts:						
Balance at December 31, 2023	**$ 90,472**	**348,272**	**561,713**	**29,372**	**6,818**	**1,036,647**
Balance at January 1, 2022	**$ 90,472**	**420,683**	**605,128**	**31,754**	**45,088**	**1,193,125**
Balance at December 31, 2022	**$ 90,472**	**387,541**	**639,392**	**31,763**	**14,262**	**1,163,430**

(ii) The property, plant and equipment of the Group had been pledged as collateral for long-term borrowing; please refer to note 8.

(i) Prepayment for business facility

The movements were as follows:

		2023	2022
Balance at January 1	$	8,341	19,512
Additions		2,562	2,986
Reclassification		(8,183)	(13,677)
Transferred to expense		(125)	(491)
Effect of movements in exchange rates		(66)	11
Balance at December 31	$	**2,529**	**8,341**

(j) Right-of-use assets

The Group lease many assets, including land, buildings and structures and vehicles machinery. Information about lease for which the Group as a lessee was presented below:

		Land	Buildings and structures	Vehicles	Total
Cost:					
Balance at January 1, 2023	$	61,316	215,174	-	276,490
Additions		-	1,342	-	1,342
Disposals		-	(14,552)	-	(14,552)
Effect of movements in exchange rates		(3,095)	(3,584)	-	(6,679)
Balance at December 31, 2023	$	**58,221**	**198,380**	**-**	**256,601**
Balance at January 1, 2022	$	66,311	212,972	488	279,771
Additions		-	1,321	-	1,321
Disposals		-	(2,236)	(488)	(2,724)
Effect of movements in exchange rates		(4,995)	3,117	-	(1,878)
Balance at December 31, 2022	$	**61,316**	**215,174**	**-**	**276,490**
Accumulated depreciation:					
Balance at January 1, 2023	$	4,958	137,054	-	142,012
Depreciation		1,651	39,630	-	41,281
Disposals		-	(14,552)	-	(14,552)
Effect of movements in exchange rates		(243)	(2,850)	-	(3,093)
Balance at December 31, 2023	$	**6,366**	**159,282**	**-**	**165,648**
Balance at January 1, 2022	$	3,490	97,308	305	101,103
Depreciation		1,711	39,965	183	41,859
Disposals		-	(1,441)	(488)	(1,929)
Effect of movements in exchange rates		(243)	1,222	-	979
Balance at December 31, 2022	$	**4,958**	**137,054**	**-**	**142,012**
Carrying amount:					
Balance at December 31, 2023	$	**51,855**	**39,098**	**-**	**90,953**
Balance at January 1, 2022	$	**62,821**	**115,664**	**183**	**178,668**
Balance at December 31, 2022	$	**56,358**	**78,120**	**-**	**134,478**

CVILUX CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Intangible assets

(i) The movements were as follows:

	Patent	Trademarks	Computer software	Total
Costs:				
Beginning balance at January 1, 2023	$ 113	640	68,195	68,948
Additions	-	-	15,473	15,473
Reclassification	-	-	4,712	4,712
Disposals	-	-	(5,770)	(5,770)
Effect of movements in exchange rates	(2)	-	(122)	(124)
Balance as of December 31, 2023	**$ 111**	**640**	**82,488**	**83,239**
Beginning balance at January 1, 2022	$ 112	640	55,896	56,648
Additions	-	-	12,244	12,244
Reclassification	-	-	831	831
Disposals	-	-	(887)	(887)
Effect of movements in exchange rates	1	-	111	112
Balance at December 31, 2022	**$ 113**	**640**	**68,195**	**68,948**
Amortization and impairment loss:				
Beginning balance at January 1, 2023	$ 13	524	51,789	52,326
Amortization	11	58	12,132	12,201
Disposals	-	-	(5,770)	(5,770)
Effect on movements in exchange rates	-	-	(107)	(107)
Balance at December 31, 2023	**$ 24**	**582**	**58,044**	**58,650**
Beginning balance at January 1, 2022	$ 2	465	40,264	40,731
Amortization	11	59	12,325	12,395
Disposals	-	-	(887)	(887)
Effect on movements in exchange rates	-	-	87	87
Balance at December 31, 2022	**$ 13**	**524**	**51,789**	**52,326**
Carrying amounts:				
Balance at December 31, 2023	**$ 87**	**58**	**24,444**	**24,589**
Balance at January 1, 2022	**$ 110**	**175**	**15,632**	**15,917**
Balance at December 31, 2022	**$ 100**	**116**	**16,406**	**16,622**

(ii) The intangible assets were not pledged as collateral for borrowing.

(l) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans (currency: NTD)	**$ 160,000**	**240,000**
Unused short-term credit lines	**$ 849,600**	**789,600**
Range of interest rates	**1.79%~1.94%**	**1.677%~2.10%**

There were no pledge as collateral for short-term borrowings.

(m) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured long-term borrowing (currency: NTD)	$ 89,855	100,681
Secured long-term borrowing (currency: USD)	15,356	38,383
Subtotal	105,211	139,064
Less: current portion	(23,907)	(30,193)
Total	**$ 81,304**	**108,871**
Unused long-term credit lines	**$ 122,459**	**120,000**
Range of interest rate	**1.73%~6.71%**	**1.48%~5.78%**
Maturity year	**113/5/28~116/8/27**	**113/5/28~116/8/27**

As of December 31, 2023, the remaining balances of the borrowing due were as follows:

Year due	Amount
113.1.1~113.12.31	$ 23,907
114.1.1~114.12.31	66,286
115.1.1~115.12.31	8,943
116.1.1~116.12.31	6,075
	$ 105,211

The collateral for these long-term borrowings, please refer to note 8.

(n) Bonds payable

The details of bonds payable were as follows:

	December 31, 2023	December 31, 2022
Total convertible corporate bonds issued	$ 500,000	500,000
Less: unamortized discounted corporate bonds payable	(4,817)	(11,244)
cumulative converted amounts	(100)	-
Subtotal	495,083	488,756
Less: current portion	(495,083)	-
Corporate bonds issued balance at year-end	**$ -**	**488,756**
Embedded derivative instruments－call rights (included in current financial assets at fair value through profit or loss)	**$ -**	**50**
Equity components–conversion options (included in capital surplus–share options)	**$ 43,757**	**43,766**

	2023	2022
Embedded derivative instruments call rights, (included net losses in financial assets at fair value through profit or loss)	**$ (50)**	**(1,800)**
Interest expenses	**$ 6,427**	**6,197**

On October 21, 2021, the Group issued the fourth unsecured domestic convertible bonds amounting to $500,000 thousand, with major terms as follows:

(i) Coupon rate: 0%.

(ii) Maturity date: three years (with the maturity date on October 21, 2024)

(iii) Method of repayment: Except for early redemption and conversion, the Group should repay its convertible bonds in cash upon maturity.

(iv) Redemption method: The Group may redeem its bonds from a creditor if it meets one of the following criteria:

1) If the closing price of the Group's ordinary shares listed on the Taipei Exchange exceeded 30% of the conversion price for 30 consecutive business days within the period between 3 months after the date of issuance and 40 days before the maturity date, the Group may redeem its entire convertible bonds outstanding at par value in cash.

2) Upon creditor's request to convert the bonds, if the total amount of unconverted bonds for the period is less than 10% of the total amount of the bonds issued for the period between 3 months after the issuance of convertible bonds and 40 days before the maturity date, the Group may redeem the bonds at par value in cash.

(v) Terms of conversion

1) After 3 months from the date of issue, the holders of the above-mentioned convertible bonds may convert their bonds into ordinary shares in accordance with the conversion method stipulated by the Group.

2) Pricing of convertible bonds:

Although the conversion price at the time of issuance was $42.2, the conversion price may be adjusted according to the formula prescribed in the conversion method in the event of a change in the Group's ordinary shares or a re-issuance of the conversion rights of the ordinary shares at a conversion price below the current price per share after the corporate bonds have been issued.

The conversion price of the Company’s 4th domestic convertible bonds on September 15, 2023 amounted to $37.65 per share. As of December 31, 2023, the Company’ s 4th domestic convertible bonds, with a accumulated face value of $100 thousand per share, had been converted into 3,000 ordinary shares.

(o) Lease liabilities

The carrying amounts of lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	$ 29,343	36,967
Non-current	$ 6,272	35,738

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest expense on lease liabilities (recorded under finance costs)	$ 3,308	5,697
Expenses relating to short-term leases	$ 1,002	191
Expenses relating to leases of low-value assets	$ 254	307

The amounts recognized in the statement of cash flows by the Group were as follows:

	2023	2022
Total cash outflow for leases	$ 42,377	46,240

(i) Real estate and buildings leases

The Group leases land and buildings for its office space and retail stores. The leases of office space and factory typically run for a period of 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of the factory contain extension options. These leases are negotiated and monitored by the local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases vehicles, with lease terms of two to three years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases other equipment with contract terms of two years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 97,879	95,536
Fair value of plan assets	(24,574)	(24,125)
Net defined benefit liabilities	**$ 73,305**	**71,411**

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

1) Composition of plan assets

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

As of December 31, 2023, the balance of the employee pension reserve account with Bank of Taiwan amounted to $17,398 thousand and the balance of pension account for executive officers amounted to $7,176 thousand. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

		2023	2022
Defined benefit obligations at January 1	$	95,536	97,147
Current Service costs and interest cost		3,599	2,575
Remeasurements gain		555	(4,186)
Benefits paid		(1,811)	-
Defined benefit obligations at December 31	**$**	**97,879**	**95,536**

3) Movements of defined benefit plan assets

		2023	2022
Fair value of plan assets at January 1	$	24,125	20,984
Expected return on plan assets		421	131
Remeasurements gain			
-Return on plan assets excluding interest income		(53)	1,170
Contributions paid by the employer		1,892	1,840
Benefits paid		(1,811)	-
Fair value of plan assets at December 31	**$**	**24,574**	**24,125**

4) Movements of the effect of the asset ceiling

For the years ended December 31, 2023 and 2022, there were no movements in the effect of plan assets ceiling.

5) Expenses recognized in profit or loss

		2023	2022
Current service costs	$	2,127	2,034
Net interest of net liabilities for defined benefit obligations		1,472	541
Expected return on plan assets		(421)	(131)
	$	**3,178**	**2,444**

		2023	2022
Operating costs	$	318	244
Selling expenses		2,860	2,200
	$	**3,178**	**2,444**

6) The remeasurement of the not defined benefit liabilities recognized in other comprehensive income.

		2023	2022
Balance at January 1	$	(25,017)	(30,373)
Recognized during the period		(608)	5,356
Balance at December 31	$	**(25,625)**	**(25,017)**

7) Actuarial assumptions

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

	December 31, 2023	December 31, 2022
Discount rate	1.625 %	1.750 %
Future salary rate increase	3.000 %	3.000 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date for 2023 is $1,861 thousand.

The weighted-average lifetime of the defined benefits plans for the year ended December 31, 2023 is 12.24 years.

8) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates and future salary changes. Any changes in the actuarial assumptions may significantly influence the amount of the defined benefit obligations.

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

	Impact on defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	(1,504)	1,557
Future salary increasing rate	1,502	(1,461)
December 31, 2022		
Discount rate	(1,576)	1,640
Future salary increasing rate	1,578	(1,534)

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

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

(ii) Defined contribution plans

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

   The pension cost incurred from the contributions to the Bureau of the Labor Insurance amounted to $7,012 thousand and $7,370 thousand for the years ended December 31, 2023 and 2022, respectively.

2) The Group's subsidiaries, including CviLux (Suzhou) Co., Ltd., Dongguan Qunhan Electronics Co., Ltd., CviLux (Dongguan) Co., Ltd., CviLux (Chongqing) Co., Ltd., CviLux (Shenzhen) Co., Ltd., CviCloud Shenzhen Limited, and CviLux AnHui Co., Ltd., adopt the defined contribution plans, with the pension costs of $39,315 thousand and $41,668 thousand in 2023 and 2022, respectively.

(q) Income taxes

(i) The components were as follows:

		2023	2022
Current tax expenses			
Current period	$	(90,549)	(109,236)
Adjustment for prior periods		(4,296)	(1,430)
		(94,845)	(110,666)
Deferred tax expense			
Origination and reversal of temporary differences		(31,361)	(65,231)
Income tax expenses	**$**	**(126,206)**	**(175,897)**

The amounts of income tax recognized in other comprehensive income were as follows:

		2023	2022
Remeasurement from defined benefit plans	**$**	**122**	**(1,071)**

Reconciliation of income tax expense and income before tax were as follows.

	2023	2022
Income before tax	$ 341,224	503,979
Income tax using the Company's domestic tax rate	$ (68,245)	(100,796)
Effect of tax rates in foreign jurisdiction	(46,950)	(77,740)
Gain on domestic investments	36	7,657
Tax incentives	6,570	7,738
Non-deductible expense	(1,258)	(1,670)
Adjustment for perior periods	(4,296)	(1,430)
Additional tax on unappropriated earnings	(6,870)	(3,391)
Others	(5,193)	(6,265)
	$ (126,206)	(175,897)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over period years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Unrecognized deferred tax assets:		
Loss carryforwards	$ 59,105	59,904

	December 31, 2023	December 31, 2022
Unrecognized deferred tax liabilities:		
Aggregate amount of temporary differences related to investments in subsidiaries	$ 289,071	282,816

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry year
2014	$ 693	2024
2015	690	2025
2016	1,706	2026
2017	6,902	2027
2018	8,876	2028, indefinite
2019	12,501	2024, 2029, indefinite
2020	12,307	2025, 2030, indefinite
2021	8,045	2026, 2031
2022	7,143	2032, indefinite
2023	242	2033
	$ 59,105	

2) Recognized deferred tax assets and liabilities

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

	Defined Benefit Plan	Deferred Losses	Allowance for obsolete inventories	Others	Total
Deferred tax assets:					
Balance at January 1, 2023	$ 14,314	3,096	9,927	8,263	35,600
Recognized in profit or loss	257	1,408	(142)	(1,394)	129
Recognized in other comprehensive income	122	-	-	-	122
Effect of changes in foreign exchanges rates	-	-	-	(126)	(126)
Balance at December 31, 2023	**$ 14,693**	**4,504**	**9,785**	**6,743**	**35,725**
Balance at January 1, 2022	$ 15,233	5,305	6,901	6,939	34,378
Recognized in profit or loss	152	(2,209)	3,026	1,277	2,246
Recognized in other comprehensive income	(1,071)	-	-	-	(1,071)
Effect of changes in foreign exchanges rates	-	-	-	47	47
Balance at December 31, 2022	**$ 14,314**	**3,096**	**9,927**	**8,263**	**35,600**

	Gain on investment	Others	Total
Deferred tax liabilities:			
Balance at January 1, 2023	$ 269,905	11,585	281,490
Recognized in profit or loss	28,719	2,771	31,490
Effect of changes in foreign exchanges rates	-	(88)	(88)
Balance at December 31, 2023	**$ 298,624**	**14,268**	**312,892**
Balance at January 1, 2022	$ 209,545	4,391	213,936
Recognized in profit or loss	60,360	7,117	67,477
Effect of changes in foreign exchanges rates	-	77	77
Balance at January 1, 2022	**$ 269,905**	**11,585**	**281,490**

(iii) Assessment

The Company's income tax returns for the years through 2020 were assessed by the tax authorities.

(r) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized share capital consisted of $1,000,000 thousand shares of ordinary shares, with par value of $10 per share, and the paid-in capital amounted to $789,561 thousand and $789,534 thousand, of which 78,956 thousands shares and 78,953 thousands shares, where issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

	December 31, 2023	December 31, 2022
Cash subscription in excess of par value of shares	$ 1,336	1,336
Additional paid-in capital from bond conversion	558,402	558,321
Stock options	43,757	43,766
Difference between actual acquiring or disposing subsidiary's equity and carrying amount	4,660	4,660
Changes in equity of associates and joint ventures accounted for using equity method	7,057	-
Other	17	17
	$ 615,229	**608,100**

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

(iii) Retained earnings

The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior years'deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. In addition, special reserve shall be appropriated according to related regulations, and then any remaining profit together with any distributable earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

In accordance with the provisions of the preceding Article, Item 5 of Article 240 and Item 1 of Article 241 of the Company Act, the distributable dividends and bonuses, in whole or in part, may be paid in cash after a resolution has been adopted by a majority vote at a board meeting attended by two thirds of the total number of directors; thereafter, to be reported at the shareholders' meeting.

According to the Company's dividend policy, taking into account the future capital and investment requirement, foreign and domestic competition, as well as shareholders' interests, the profit sharing for shareholders shall not be lower than 15% of the total distributable dividends for the year.

Dividends for shareholders may be distributed in stocks or cash, however the cash dividends shall not be less than 10% of the total dividends.

1) Legal reserve

According to the Company Act, a company should provide 10% of its after tax net profit as Legal reserve until it is equal to its capital. If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion in excess of 25% of the share capital.

2) Special reserve

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the current period's total net reduction of other shareholders equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders equity shall qualify for additional distributions.

(iv) Earnings distribution

Earnings distribution for 2022 and 2021 had been decided by the resolutions adopted at the board meeting and general meeting of the shareholders held on March 22, 2023 and June 23, 2022, respectively, as follows:

	2022		2021	
	Amount per share (in dollars)	**Total amount**	**Amount per share (in dollars)**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 2.00	$ 157,907	2.00	157,907

On March 14, 2024, the Company's Board of Derectors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (in dollars)	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	$ 1.38	**$ 110,184**

(v) Other comprehensive income accumulated in reserves, net of tax-the Group

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2023-the Group	$ (95,730)
Exchange differences on foreign operations-the Group	(56,354)
Balance at December 31, 2023-the Group	**$ (152,084)**

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022-the Group	$ (124,671)
Exchange differences on foreign operations-the Group	28,941
Balance at December 31, 2022-the Group	**$ (95,730)**

(s) Earnings per share (“EPS”)

(i) Basic EPS

	2023	**2022**
Profit attributable to ordinary shareholders of the Company	**$ 217,909**	**331,509**
Weighted average number of ordinary shares outstanding during the period (in thousand shares)	**78,954**	**78,953**
Basic earnings per share (in dollars)	**$ 2.76**	**4.20**

(ii) Diluted EPS

		2023	2022
Profit attributable to ordinary shareholders of the Company	$	217,909	331,509
Interest expense and other gains and losses on convertible bonds, net of tax		5,181	6,398
Profit attributable to ordinary shareholders of Company (after adjusting the effect of potentially dilutive ordinary shares)	**$**	**223,090**	**337,907**
Weighted-average number of ordinary shares (in thousands shares)		78,954	78,953
Effect of potentially dilutive ordinary shares:			
Employee remuneration (in thousand shares)		679	1,270
Convertible bonds (in thousand shares)		11,847	11,848
Weighted-average number of ordinary shares (after adjusting the effect of potentially dilutive ordinary shares) (in thousand shares)		**91,480**	**92,071**
Diluted earnings per share (in dollars)	**$**	**2.44**	**3.67**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023		
		Electronics components	**Others**	**Total**
Primary geographical markets:				
Asia	$	2,367,877	1,205	2,369,082
Europe		475,251	-	475,251
Others		114,280	8	114,288
	$	**2,957,408**	**1,213**	**2,958,621**

	2022		
	Electronics components	**Others**	**Total**
Primary geographical markets:			
Asia	$ 2,861,518	5,925	2,867,443
Europe	696,568	-	696,568
Others	162,988	15	163,003
	$ 3,721,074	5,940	3,727,014

(ii) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	$ 935,507	990,789	1,450,101
Less: loss allowance	(12,851)	(11,677)	(10,252)
Total	$ 922,656	979,112	1,439,849
Contract liabilities (be included in other non-current liabilities)	$ 27,421	24,500	18,256

For details on notes and accounts receivable (including related parties) and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the year that was included in the contract liability balance at the beginning of the period were as follows:

	2023	2022
Revenue recognized	$ 15,885	10,642

(u) Remuneration to employees and directors

In accordance with the articles of incorporation the Company should contribute 5%~12% of the profit as employees' remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. The company allocate the remuneration to directors in cash.

The Company estimated its employee remuneration and directors' and supervisors' remuneration based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

The Company's estimated is as follows:

	2023	2022
Employees’ remuneration	$ 23,211	34,143
Directors’ remuneration	6,995	10,290
	$ 30,206	**44,433**

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company’s parent-company-only financial statements of the years ended December 31, 2023 and 2022. The related information can be found on Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

	2023	2022
Interest income from bank deposits	$ 30,472	13,232
Other interest income	4,106	3,742
	$ 34,578	**16,974**

(ii) Other income

	2023	2022
Rent income	$ 3,502	3,162
Dividend income	47	150
	$ 3,549	**3,312**

(iii) Other gains and losses

	2023	2022
Foreign exchange gains	$ 10,903	136,376
Losses on disposals of property, plant and equipment	(1,751)	(4,313)
Losses on disposal of investments	(19)	-
Losses on financial assets at fair value through profit or loss	(409)	(3,556)
Government grants income	3,866	5,805
Others	13,156	4,554
	$ 25,746	**138,866**

(iv) Finance costs

	2023	2022
Interest expense on bank borrowings and bonds	$ (13,472)	(11,986)
Interest expenses on lease liabilities	(3,308)	(5,697)
	$ (16,780)	**(17,683)**

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

Accounts receivable were due from many customers and regional distributions were decentralized. Therefore, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Group continually evaluates each customer's financial situation. However, the Group does not require its customers to provide collaterals.

3) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

Financial assets at amortized cost includes other receivables, guarantee depostis paid, restricted deposits and time deposits and etc.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g). The loss allowances for other receivables of the Group were determined as follows:

	2023	2022
Balance at January 1	$ 10,764	10,608
Effect of changes in foreign exchanges rates	(197)	156
Balance at December 31	$ 10,567	10,764

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 160,000	160,988	160,988	-	-	-
Notes and accounts payable, other payable and lease liabilities	685,025	702,915	694,925	5,796	2,194	-
Long-term borrowings (including current portion)	105,211	108,631	25,757	67,559	15,315	-
Guarantee deposits received	512	512	-	512	-	-
Bonds payable (including current portion)	495,083	499,900	499,900	-	-	-
	$ 1,445,831	1,472,946	1,381,570	73,867	17,509	-
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 240,000	241,507	241,507	-	-	-
Notes and accounts payable, other payable (including related parties) and lease liabilities	712,892	748,296	694,497	45,746	8,053	-
Long-term borrowings (including current portion)	139,064	144,451	32,271	24,256	84,609	3,315
Guarantee deposits received	230	230	-	230	-	-
Bonds payable	488,756	500,000	-	500,000	-	-
	$ 1,580,942	1,634,484	968,275	570,232	92,662	3,315

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

(iii) Currency risk

1) Exposure to currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 88,087	30.705	2,704,711	63,532	30.71	1,951,068
CNY	13,665	4.327	59,128	30,364	4.408	133,845
HKD	1,083	3.929	4,255	1,671	3.938	6,580
EUR	1,176	33.98	39,960	2,904	32.72	95,019
JPY	1,997	0.217	433	11,934	0.232	2,769
Non-monetary items						
CNY	755,662	4.327	3,269,749	708,730	4.408	3,124,082
LAK	-	-	-	45,633	0.00177	80
USD	40	30.705	1,221	-	-	-
Financial liabilities						
Monetary items						
USD	18,470	30.705	567,121	21,774	30.71	668,680
HKD	474	3.929	1,862	694	3.938	2,733
EUR	10	33.98	340	10	32.72	327
Non-monetary items						
KRW	160,671	0.0239	3,842	45,671	0.0245	1,121
USD	-	-	-	45	30.71	1,385
LAK	21,459,651	0.00149	32,018	-	-	-

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value, financial assets at amortized cost, borrowing, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) 5 % of the NTD against the USD, CNY, HKD, EUR, JPY, as of December 31, 2023 and 2022 would have increased (decreased) the net income before tax by $111,958 thousand and $75,877 thousand, respectively. The analysis is performed on the same basis for 2022.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) (including realized and unrealized portions) on monetary items were disclosed by total amounts:

	2023	2022
Foreign exchange gains (losses)	$ 10,903	136,376

(iv) Interest rate risk

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

The interest rate risk is mainly due to the Group's borrowing at variable rates and fair value throught profit or loss at fixed-interest rate. If the interest rate increased (decreased) by 0.5% with all other variable factors remaining constant on the reporting date, the Group's profit loss before tax would increased (decreased) as follows:

	Impact on income (loss) before tax	
	Increase 0.5%	Decreases 0.5%
December 31, 2023	$ (3,919)	3,919
December 31, 2022	$ (4,646)	4,646

(v) Other market price risk

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

	2023		2022	
Price of securities at the reporting date	Other Comprehensive Income after tax	Net income	ther Comprehensive Income after tax	Net income
increasing 5%	$ -	312	-	516
decreasing 5%	$ -	(312)	-	(516)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and the investments in equity instrument that are not quoted in an active market and can not reliably measure at fair value, disclosure of fair value information is not required:

	December 31, 2023				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Non-derivative financial assets mandatorily measured at fair value through profit or loss:					
Foreign corporate bonds	$ 11,866	-	11,866	-	11,866
Stocks listed on foreign markets	2,128	2,128	-	-	2,128
Funds	5,521	5,521	-	-	5,521
Designated at fair value through profit or loss:					
Preferred stock listed on foreign markets	306	-	306	-	306
Total	**$ 19,821**	**7,649**	**12,172**	**-**	**19,821**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 2,152,923	-	-	-	-
Time deposits and restricted deposits (current)	240,581	-	-	-	-
Notes and accounts receivable (including related parties) and other receivables (including related parties)	926,648	-	-	-	-
Guarantee deposits paid	11,150	-	-	-	-
Total	**$ 3,331,302**	**-**	**-**	**-**	**-**

	December 31, 2023				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost:					
Bank borrowing (short-term and long-term)	$ 265,211	-	-	-	-
Bonds payable	495,083	-	-	-	-
Notes and account payable, other payables (including related parties) and lease liabilities	685,025	-	-	-	-
Guarantee deposits received	512	-	-	-	-
Total	$ 1,445,831	-	-	-	-

	December 31, 2022				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Non-derivative financial assets mandatorily measured at fair value through profit or loss:					
Foreign corporate bonds	$ 10,748	-	10,748	-	10,748
Stocks listed on foreign markets	6,989	6,989	-	-	6,989
Funds	5,414	5,414	-	-	5,414
Derivative financial assets mandatorily measured at fair value through profit or loss	50	-	50	-	50
Designated at fair value through profit or loss:					
Preferred stock listed on foreign markets	513	-	513	-	513
Total	$ 23,714	12,403	11,311	-	23,714

	December 31, 2022				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 1,980,468	-	-	-	-
Time deposits and restricted deposits (current)	143,049	-	-	-	-
Notes and accounts receivable (including related parties) and other receivables (including related parties)	986,629	-	-	-	-
Guarantee deposits paid	11,557	-	-	-	-
Total	**$ 3,121,703**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost:					
Bank borrowing (short-term and long-term)	$ 379,064	-	-	-	-
Bonds payable	488,756	-	-	-	-
Notes and account payable, other payables (including related parties) and lease liabilities	712,892	-	-	-	-
Guarantee deposits received	230	-	-	-	-
Total	**$ 1,580,942**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instrument is regarded as being quoted in active market if quoted prices are readily as the fair value.

3) Transfer between Level 1 and Level 2

There were no transfers from Level 2 to Level 1 in 2023 and 2022.

4) Reconciliation of Level 3 fair values: None.

(x) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's inter-department management and committee, which consists of managers from all departments, is responsible for monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

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

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

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instruments fails to meet its contractual obligations and arises principally from the Group's notes and accounts receivable from the customers and bank deposits.

1) Accounts receivable and other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In accordance with the Group's policy for providing loans to others, the Group must analyze an individual customer's credit rating before granting payment terms and credit lines. For a customer rated as high risk, future transactions with that customer shall require an advance payment. Credit limited is offered to each customer as the limit of transaction and is reviewed regularly.

With a broad customer base, the Company's transactions are not concentrated within one single customer, and its sales market are spread in different regions; therefore, there is no concentration of credit risk. Also, the Group mitigates its exposure by regularly evaluating its customers' financial position, taking into account the possibility of collectable accounts receivable and making provision for bad debts, which are within management's expectations.

2) Investments

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

3) Guarantees

According to the Group's policy, the Group can only provide financial guarantees to an entity, wherein the Group owns 50% of its shares and has business transactions with. As of December 31, 2023 and 2022, the Group did not provide any guarantees to any non-consolidated subsidiaries.

(iv) Liquidity risk

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

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervised the banking facilities and ensures compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Group. As of December 31, 2023 and 2022, the Group had unused credit facilities for short-term and long-term loans as follows:

	December 31, 2023	December 31, 2022
Unused bank credit lines	$ 972,059	909,600

(v) Market risk

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

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the NTD and CNY. The currencies used in these transactions are the NTD, EUR, USD, HKD, CNY and JPY. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied it these circumstances.

2) Interest rate risk

The Group has borrowed funds at fixed and variable interest rates, wherein the Group is exposed to risks associated with fair value change and cash flow. The Group manages its interest rate risk by maintaining a proper components of fixed interest rate and floating interest rate. Additionally, the Group's short term loans bear interests at floating rates. The effective rate varies depending on the market interest rate, thereby fluctuating the Company's future cash flow.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is held for trading. The management of the Group minimizes the risk by holding different investment portfolios. The Group's exposure to equity price risk is mainly due to the equity financial instruments in Taiwan.

(y) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors, and the market and to sustain future development of the business.

The Group's debt-to-equity ratio at the reporting date was as follows:

	December 31, 2023	**December 31, 2022**
Total liabilities	$ 1,946,749	2,057,217
Less: cash and cash equivalents	(2,152,923)	(1,980,468)
Net liabilities	**$ (206,174)**	**76,749**
Total equity	**$ 3,072,778**	**3,065,351**
Debt-to-equity ratio	**(6.71)%**	**2.50 %**

As of December 31, 2023, The Group's capital management strategy was consistent with that of the prior years. The collectible receipts, which caused the decrease in net liabilities ratio to exceed the increase in total equity, resulted in the debt to equity ratio to decrease.

(z) Financing activities not affecting current cash flow

(i) For right-of-use assets under leases, please refer to note 6(j).

(ii) Reconciliation of liabilities arising from financing activities (with non-cash changes) were as follows:

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Others**	**Foreign exchange movement**	**December 31, 2023**
Long-term borrowings (including current portion)	$ 139,064	(36,624)	-	2,771	105,211
Lease liabilities (current and non-current)	72,705	(37,813)	1,342	(619)	35,615
Total liabilities from financing activity	**$ 211,769**	**(74,437)**	**1,342**	**2,152**	**140,826**

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Others**	**Foreign exchange movement**	**December 31, 2022**
Short-term borrowings	$ 224,055	15,873	-	72	240,000
Long-term borrowings (including current portion)	104,324	24,002	-	10,738	139,064
Lease liabilities (current and non-current)	110,414	(40,045)	498	1,838	72,705
Total liabilities from financing activity	**$ 438,793**	**(170)**	**498**	**12,648**	**451,769**

(7) Related-party transactions

(a) Names and relationship with the Group

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Allsor Technology Corporation	The entity's chairman is the second immediate family member of the chairman of the Company
Yang Plus Corporation	The entity's chairman is the second immediate family member of the chairman of the Company
Yangtek Corporation	The entity's chairman is the second immediate family member of the chairman of the Company
Tvsoga Co., Ltd.	The entity's chairman is the second immediate family member of the chairman of the Company
Shenzhen Recon Health care Cloud Techco., Ltd.	Associate

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balance by the Group to related parties were as follows:

	Sales		Receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Other related parties	$ 6,285	7,342	1,374	2,177
Associates	-	7	-	-
	$ 6,285	**7,349**	**1,374**	**2,177**

The selling price for related parties approximated the market price. The credit terms ranged 90~120 days. Amounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(ii) Purchases

The amounts of significant purchases and outstanding balances by the Group from related parties were as follows:

	Purchases		Payable to related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Other related parties	**$ (466)**	**1,378**	**-**	**-**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged 90~120 days.

(iii) Leases

The Group's rent income from related parties (included in other income) and the outstanding balances were as follows:

	Rent income		Other receivables from related parties	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Other related parties	**$ 36**	**36**	**3**	**3**

Additionally, the Group lease offices from a related party for 5.25 years. The amounts recognized as right-of-use assets and lease liabilities for such lease transaction were both $1,311 thousand. The balances of interest expenses and lease liabilities were as follows:

	Interest expense		Lease liabilities	
	2023	**2022**	**December 31, 2023**	**December 31, 2022**
Other related parties	$ -	1	-	-

(iv) Others

The Group paid certain expenses on behalf of related parties including advances and other disbursements were as follows:

	Other receivables from related parties	
	December 31, 2023	**December 31, 2022**
Associates-Shenzhen Recon Health care Cloud Techco., Ltd.	$ -	786

	Other payables to related parties	
	December 31, 2023	**December 31, 2022**
Other related parties	$ -	315

(c) Key management personnel compensation

	2023	**2022**
Short-term employee benefits	$ 32,683	38,974
Post-employment benefits	2,079	2,079
	$ 34,762	41,053

(8) Assets pledged as security

The carrying values of assets pledged as security were as follows:

Pledged assets	**Object**	**December 31, 2023**	**December 31, 2022**
Land	Long-term borrowings	$ 66,819	66,819
Building and structure	〃	66,515	68,362
		$ 133,334	135,181

(9) Commitments and contingencies

The agreements for purchases of the property, plant and equipment and Intangible assets was as follows:

	December 31, 2023	December 31, 2022
Total contract price	$ 13,021	181,764
Unexecuted amount	$ 10,565	13,854

(10) Losses due to major disasters: None

(11) Subsequent events: None.

(12) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	342,397	302,363	644,760	448,026	318,269	766,295
Labor and health insurance	14,690	21,277	35,967	16,260	20,047	36,307
Pension	30,899	18,606	49,505	33,612	17,870	51,482
Remuneration of directors	-	9,909	9,909	-	12,444	12,444
Others	12,987	18,483	31,470	17,904	20,068	37,972
Depreciation	122,852	103,177	226,029	132,647	91,823	224,470
Amortization	47	12,154	12,201	144	12,251	12,395

(b) In October 2016, the owner of the Company was prosecuted by the New Taipei District Prosecutors Office for violating the Securities and Exchange Act, by selling LED CHIPS between the 2nd of 2014 and 2015. In November 2019, the owner of the Company was acquitted by the New Taipei District Prosecutors Office. However, in February 2020, the prosecutor filed an appeal regarding the above case to the Taiwan High Court, who sentenced the owner of the Company to a prison term of 1 year and 10 months, in which the owner of the Company disagreed with such decision; hence, filed an appeal to the Supreme Court. The Company engaged a lawyer to handle the case. On January 5, 2024, the Company received a notification from the Supreme Court, stating that the conviction against the Company's responsible party was partially revoked and remanded the case to the Taiwan High Court for retrial. The above case did not have any material impact on the financial and business operation of the Company.

CVILUX CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13)Other disclosures

(a)Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2023:

i. Loan to other parties:

Unit:USD in thousand/NTD in thousand

Number	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
												Item	Value		
0	The Company	CMI	Other receivables - related parties	20,000 (NTD20,000)	-	-	2%	2	-	Operating Captial	-	None	-	307,534	615,068
0	The Company	Cvilux Lao	Other receivables - related parties	187,530 (USD6,000)	184,230 (USD6,000)	122,820 (USD4,000)	2%	2	-	Operating Captial	-	None	-	307,534	615,068
0	The Company	CviLux Korea	Other receivables - related parties	3,243 (USD100)	3,071 (USD100)	-	2%	2	-	Operating Captial	-	None	-	307,534	615,068

Note：The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note1：Purposes of fund financing for the borrower as follows:

(1)For entries the Company has business transactions with.

(2)For entries with short-term financing needs.

Note2：For entities with short-term financing needs, the total amount available for financing shall not exceed 20% of the Company's net worth. Any individual entity shall not exceed 10% of the Company's net worth.

Note3：The maximum balance and ending balance of the fund loans are converted into New Taiwan Dollars at the exchange rate at the end of each month, with the approval of the board.

ii. Guarantees and endorsements for other partie:

Number	Endorsement/ Guarantee Provider	Counter - party of guarantee and endorsement		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 3)	Ending Balance (Note 2)	Amount Actually Drawn	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum amount for guarantees and endorsements (Note 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship with the company (Note 1)										
0	The Company	CTT	Note 1	Net worth*30% 922,602	130,000	100,000	10,000	-	3.25 %	1,537,670	Y	N	N
0	The Company	CTA	Note 1	Net worth*30% 922,602	18,212	-	-	-	- %	1,537,670	Y	N	Y
0	The Company	CED	Note 1	Net worth*30% 922,602	33,282	17,308	-	-	0.56 %	1,537,670	Y	N	Y
0	The Company	Cvilux Lao	Note 1	Net worth*30% 922,602	64,850	61,410	15,353	-	2.00 %	1,537,670	Y	N	N
0	The Company	CMI	Note 1	Net worth*30% 922,602	20,000	20,000	-	-	0.65 %	1,537,670	Y	N	N

Note：The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 1：A subsidiary fully owned by the guarantor.
Note 2：The ending balance of guarantees and endorsements are converted into NTD at the exchange rate at the end of each month, with the approval of the board.
Note 3：The amount available for financing purposes for any individual entity shall not exceed 30% of the Company's net worth; and for other entity, the amount available for financing purposes shall not exceed 30% of the Company's net worth, and the total amount shall not exceed 50% of the Company's net worth.

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

Unit:Shares/Units

Name of investee	Marketable Security Type and Name	Relationship with the company	Financial Statement Account	December 31,2023				Note
				Shares/Units	Book value	Percentage of Owership	Fair value	
CCT	CTL 6 1/2 Preferred stock	None	Financial assest at fair value through profit or loss-curreny	1,000	306	-	306	
〃	BT100145 AT&T Bonds	〃	〃	50,000	1,072	-	1,072	
〃	ETH6 Citigroup Corporate Bonds	〃	〃	80,000	2,369	-	2,369	
〃	ETP5 Pfizer Corporate Bonds	〃	〃	80,000	2,299	-	2,299	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	44,148.7	1,553	-	1,553	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	22,383.3	787	-	787	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	43,909.8	1,545		1,545	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	22,215.1	782	-	782	
〃	Goldman Sachs RMB Corporate Bonds GS 3.8 05/05/25	〃	〃	500,000	2,088		2,088	
〃	D1709-Citigroup Global Securities RMB Corporate Bond	〃	〃	950,000	4,033		4,033	
〃	00888 SinoPac Taiwan ESG Equity Fund	〃	〃	8,000	116	-	116	
HBC	China Life Lnsurance Company Limited Sotck	〃	〃	5,700	699	-	699	
〃	Northeast Securities CO., LTD Sotck	〃	〃	10,000	307	-	307	
〃	Goldmantis Sotck	〃	〃	5,000	82	-	82	
〃	Suntak Technology Co., LTD Convertible bonds	〃	〃	10	5	-	5	
CQC	Goldmantis Sotck	〃	〃	10,000	163	-	163	
〃	China Minsheng Banking Stock	〃	〃	20,000	323	-	323	
〃	E Fund CSI Bio-Tech Them ETF	〃	〃	320,100	738	-	738	
〃	Vats liquor chain store management joint management joint stock co.,Ltd Stock	〃	〃	7,000	554	-	554	
					19,821		19,821	

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
v. Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
vi. Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

vii. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship (Note1)	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
CED	The Company	1	Sale	511,372	71%	60 days	-	no comparators	111,231	63%	〃
The Company	CED	1	Purchase	511,372	36%	〃	-	no significant difference	(111,231)	26%	〃
HBC	The Company	1	Sale	436,750	56%	〃	-	no comparators	126,785	50%	〃
The Company	HBC	1	Purchase	436,750	31%	〃	-	no significant difference	(126,785)	30%	〃
DQH	The Company	1	Sale	141,510	44%	〃	-	no comparators	35,833	46%	〃
The Company	DQH	1	Purchase	141,510	10%	〃	-	no significant difference	(35,833)	9%	〃
CQC	The Company	1	Sale	167,792	39%	〃	-	no comparators	50,337	34%	〃
The Company	CQC	1	Purchase	167,792	12%	〃	-	no significant difference	(50,337)	12%	〃

Note : The amount had been offset in the consolidated financial statements.
Note 1: Relationship with the company is as follows:
1) Parent company to subsidiary 1
2) Subsidiary to subsidiary

viii. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of capital

Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Accounts receivable								
CED	The Company	Parent company	111,231	-	-		75,965	-
HBC	The Company	Parent company	126,785	-	-		70,933	-
Other receivables								
CLC	The Company	Parent company	124,352	-	-		31,280	-

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

ix. Trading in derivative instruments: None.

x. Business relationships and significant intercompany transactions:

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2022			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CED	The Company	2	Sale	511,372	The month ends 60 days	17%
2	HBC	The Company	2	〃	436,750	〃	15%
3	DQH	The Company	2	〃	141,510	〃	5%
4	CQC	The Company	2	〃	167,792	〃	6%
1	CED	The Company	2	Acounts receivable	111,231	offsetting of receivables and payables	2%
2	HBC	The Company	2	〃	126,785	〃	3%
3	DQH	The Company	2	〃	35,833	〃	1%
4	CQC	The Company	2	〃	50,337	〃	1%

Note : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 1: Company numbering is as follows:

Parent company 0

Subsidiary stars from 1

Note 2: Relationship wuth transaction party numbering is as follows:

1) Parent company to subsidiary

2) Subsidiary to parent company

3) Subsidiary to subsidiary

CVILUX CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in mainland China):

Unit:USD in thousand/NTD in thousand

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Highest balance during the year			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value			
The Company	CONTEC	British Virgin Islands	Holding Company	481,884 (USD15,266)	481,884 (USD15,266)	15,265,948	100%	3,382,674	143,445	136,412	Note
The Company	Cvilux USA	United States	Sale of connectors, cable assemblies	30,669 (USD1,000)	30,669 (USD1,000)	100,000	100%	1,221	2,884	2,884	Note
The Company	Cvilux Korea	Korea	Sale of connectors, cable assemblies	8,820 (USD300)	8,820 (USD300)	35,000	100%	(3,842)	(2,736)	(2,736)	Note
The Company	CTT	Taiwan	Integration services for IoT, hardware and software system	187,000	187,000	11,514,800	100%	40,723	(1,210)	(1,210)	Note
The Company	CMI	Taiwan	Development and sale of e-commerce and cosmetics	56,245	56,245	2,999,900	100%	3,330	1,392	1,392	Note
CONTEC	HICON	British Virgin Islands	Holding Company	328,341 (USD10,370)	328,341 (USD10,370)	10,370,000	100%	1,986,916	106,450	106,450	Note
CONTEC	Cvilux (B.V.I.)	British Virgin Islands	Holding Company	342,813 (USD11,262)	342,813 (USD11,262)	11,102,371	100%	1,392,434	36,643	36,643	Note
Cvilux (B.V.I.)	CTH	Hong Kong	Holding Company	-	98,609 (USD3,232)	-	-	-	-	-	Note
HBC	Cvilux Lao	Lao	Manufacture and sale of connectors, cable assemblies	149,313 (USD5,000)	149,313 (USD5,000)	-	92.59%	(32,018)	(39,019)	(36,127)	Note

Note : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

CVILUX CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

The following is the information on investees in mainland China for the year ended December 31, 2023:

Unit:NTD in thousand/USD,RMB,HKD in dollar

Name of investee	Main businesses and products	Total amount of capital surplus (Note 5)		Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022		Net income (losses) of the investee	The highest percentage of the periords	Investment income (losses) (Notes 3)	Book value (Note 3)	Accumulated remittance of earnings in current period	Note
							Outflow	Inflow								
Cvilux Dongguan Changping Electronic Plant	Manufacture and sale of connectors	-	-	Note 1	USD460,000	15,244	-	-	USD460,000	15,244	-	100.00%	-	-	-	Note
HBC	Manufacture and sale of connectors, cable assemblies	USD 6,620,000	217,775	Note 2-1	USD6,620,000	217,775	-	-	USD6,620,000	217,775	76,133	100.00%	76,133	1,594,301	214,994	Note
DQH	Manufacture and sale of connectors, cable assemblies	HKD 25,590,000	105,194	Note 2-1	USD77,400 CNY 1,458,724 HKD 23,058,801	104,231	-	-	USD77,400 CNY 1,458,724 HKD 23,058,801	104,231	(2,899)	100.00%	(2,899)	195,726	13,706	Note
CED	Manufacture and sale of connectors, cable assemblies, electronic modules	USD 9,000,000	264,623	Note 2-1	USD3,123,530	92,747	-	-	USD3,123,530	92,747	81,450	100.00%	81,450	840,952	-	Note
CQC	Manufacture and sale of connectors, cable assemblies	USD 8,750,000	272,335	Note 2-1	USD2,000,000	58,380	-	-	USD2,000,000	58,380	70,681	100.00%	70,681	822,595	115,175	Note
CTS	Sale of connectors, cable assemblies	HKD 2,000,000	7,784	Note 2-1	-	-	-	-	-	-	10,330	100.00%	10,330	273,132	-	Note
CTA	Integration services for IoT, hardware and software system	USD 1,890,000	55,014	Note 2-1	USD1,000,000	28,110	-	-	USD1,000,000	28,110	2,387	100.00%	2,387	13,075	-	Note
AHC	Manufacture and sale of connectors, cable assemblies	CNY 10,000,000	46,170	Note 2-1	-	-	-	-	-	-	1,166	100.00%	1,166	40,631	-	Note
HRT	Development and sales of e-commerce and cosmetics	-	-	Note 2-2	USD200,000	6,110	-	6,110	-	-	(2)	100.00%	(2)	0	-	Note
Shenzhen Recon Health care Cloud Techco., Ltd.	Manufacture and sale of medical care products	CNY 7,730,000	33,332	Note 2-1	-	-	-	-	-	-	(11,214)	42.76%	(2,901)	(2,710)	-	
Cvilux Sensor Technology (Dongguan) Co., Ltd.	Manufacture and sale of Sensors and electronic components	CNY 10,010,000	44,158	Note 2-1	-	-	-	-	-	-	(135)	42.76%	(27)	8,628	-	

Note : The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

ii. Limitation on investment in mainland China:

Unit:NTD in thousand/USD,RMB,HKD in dollar

Accumulated Investment in mainland China as of December 31, 2023 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 7)
516,487 (USD 13,480,930、CNY 1,458,724 and HKD 23,058,801)	728,981 (USD 20,178,600、CNY 1,458,724 and HKD 27,800,000)	1,845,204

Note 1: Since Cvilux Dongguan Changping Electronic Plant, a plant established by Cvilux (B.V.I.) in mainland China who engaged in processing materials provided by customers in accordance with the agreement, is not one of the Group's subsidiaries, it is not deemed as an "investment" as defined in Articles 4 and 6 of the "Regulations Governing the Approval of Investment or Technical Cooperation in mainland China" by the Investment Commission. Therefore, the above information only discloses the name of the plant and its principal business activities.

Note 2: 1.The Company indirectly invested in the company in mainland China through a third region：CONTEC(B.V.I.) Corp.、Cvilux(B.V.I.) Corp.、HICON(B.V.I.) Corp.
2.The Company indirectly invested in the company in mainland China through Taiwan region.

Note 3: The amount consist of invesment gain or loss and carrying values as of December 31, 2023, recognized by the Company which indirectly invested through a third region.

Note 4: The investment in mainland China was recorded at the exchange rates prevailing at the transaction date. The equity in the earnings (losses) was translated into NTD at the average rates prevailing at the transaction date.

Note 5: In addition to the accumulated investment in mainland China, the paid-in capital included the asset valuation and capital surplus transferred to common stock.

Note 6: In addition to the accumulated investment in mainland China, the investment amounts authorized by the Investment Commission, MOEA included the asset valuation and capital surplus transferred to common stock, with the exchange rate of USD：NTD = 1：30.705；HKD：NTD = 1：3.929；CNY：NTD = 1：4.327 on December 31, 2023.

Note 7: The investment amount should not exceed 60% of the net worth of the Company or the Group.

iii. Significant transactions

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
Yangtek Corporation	6,761,000	8.56%

Note : The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total non physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(14) Segment information

(a) General information: The Group' s main business activities are the manufacture and sale of electronics components, and its reportable segment is the electronic components segment. The other segments, which mainly involved in the development and sale of cosmetics, have yet to meet the quantitative threshold of a reportable segment.

2023	Electronic components	Other	Elimination	Total
Revenues:				
Revenues from external customers	$ 2,957,408	1,213	-	2,958,621
Revenues from parent and consolidated subsidiaries	-	5,286	(5,286)	-
Interest income	34,549	29	-	34,578
Total revenues	**$ 2,991,957**	**6,528**	**(5,286)**	**2,993,199**
Interest expense	**$ 16,609**	**171**	**-**	**16,780**
Depreciation and amortization	**$ 238,230**	**-**	**-**	**238,230**
Share of profit of associates accounted for using equity method	**$ 2,928**	**-**	**-**	**2,928**
Segment income	**$ 295,343**	**1,716**	**-**	**297,059**

2022	Electronic components	Other	Elimination	Total
Revenues:				
Revenues from external customers	$ 3,721,074	5,940	-	3,727,014
Revenues from parent and consolidated subsidiaries	6,338	9,614	(15,952)	-
Interest income	16,953	21	-	16,974
Total revenues	**$ 3,744,365**	**15,575**	**(15,952)**	**3,743,988**
Interest expense	**$ 17,683**	**-**	**-**	**17,683**
Depreciation and amortization	**$ 236,730**	**135**	**-**	**236,865**
Share of profit of associates accounted for using equity method	**$ 8,839**	**-**	**-**	**8,839**
Segment income	**$ 378,458**	**(7,109)**	**-**	**371,349**

(b) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Location		**2023**	**2022**
Revenue from external customers			
China	$	1,725,966	2,341,464
Taiwan		257,150	202,765
France		77,598	138,182
Belgium		93,535	112,686
Italy		80,908	144,117
Other countries		723,464	787,800
	$	**2,958,621**	**3,727,014**

		December 31, 2023	**December 31, 2022**
Non-current assets:			
Taiwan	$	225,355	232,004
China		886,150	1,040,771
America		1,803	2,523
Lao		52,082	58,639
Korea		478	491
Total	**$**	**1,165,868**	**1,334,428**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and other assets, not including financial instruments, and deferred tax assetss.

(c) Information about revenue from major customers

The Group did not have any customer with revenues exceeding 10% of the revenues for the years ended December 31, 2023 and 2022.

(d) The total revenues of reportable segment amounting to $5,286 thousand and $15,952 thousand were eliminated for the years ended December 31, 2023 and 2022, respectively. The reconciliations of the aggregate amounts of reportable segment profits (losses) and net operating profits were consistent with those stated in the consolidated financial statements; please refer to non-operating income and expenses in the statement of comprehensive income.

Stock Code:8103

CVILUX CORPORATION

Parent Company Only Financial Statements

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

Address: 9F., No.9. Ln.3. Sec. 1, Zhongzheng E. Rd., Tamsui Dist., New Taipei City, Taiwan.
Telephone: 886-2-2620-1000

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

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Independent Auditors' Report

To the Board of Directors of CviLux Corporation:

Opinion

We have audited the financial statements of CviLux Corporation("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Valuation for slow-moving inventories

Please refer to note 4(g) "Inventories" for accounting policy, note 5 for accounting assumption, judgments, and estimation uncertainty to the financial statement, and note 6(f) for the illustration of the evaluation of inventories.

Description of key audit matters:

In order to meet shipping demands, the Company has increased its stock volume, which requires the management to use its subjective judgment in valuating the slow-moving inventories. Therefore, the valuation for slow-moving inventories has been identified as one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management' s estimates on inventory provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management' s methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Tang, Chia-Chien and Huang, Ming-Hung.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

CviLux Corporation

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 298,058	7	565,386	11
1110	Financial assets at fair value through profit or loss－current (note 6(n))	16,950	-	15,830	-
1136	Financial assets at amortized cost-current (note 6(c))	-	-	30,204	1
1150	Notes receivable, net (notes 6(d) and (t))	3,562	-	2,045	-
1170	Accounts receivable, net (notes 6(d) and (t))	545,505	11	613,336	12
1180	Accounts receivable-related parties, net (notes 6(d), (t) and 7)	33,177	1	22,977	1
1200	Other receivables (note 6(e))	378	-	113	-
1210	Other receivables-related parties (notes 6(e) and 7)	144,491	3	47,933	1
130X	Inventories (note 6(f))	73,210	1	110,578	2
1410	Prepayments and other current assets	2,850	-	9,315	-
	Total current assets	1,118,181	23	1,417,717	28
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (notes 6(b) and (n))	-	-	50	-
1550	Investments accounted for using equity method (note 6(g))	3,427,948	71	3,339,422	67
1600	Property, plant and equipment (notes 6(h), 7 and 8)	194,691	4	201,390	4
1755	Right-of-use assets (note 6(i))	5,067	-	6,768	-
1780	Intangible assets (note 6(k))	23,576	1	15,176	-
1840	Deferred tax assets (note 6(q))	29,522	1	28,188	1
1915	Prepayments for business facilities (note 6(j))	439	-	6,389	-
1990	Other non-current assets	423	-	350	-
	Total non-current other assets	3,681,666	77	3,597,733	72
	Total assets	$ 4,799,847	100	5,015,450	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ 150,000	3	210,000	4
2150	Notes payable	2,243	-	189	-
2170	Accounts payable	33,225	1	46,659	1
2180	Accounts payable-related parties (note 7)	384,722	8	584,905	12
2200	Other payables (note 6(u))	111,965	2	123,170	3
2220	Other payables-related parties (note 7)	132	-	1,199	-
2230	Current tax liabilities	50,719	1	14,501	-
2280	Lease liabilities－current (note 6(o))	1,928	-	1,802	-
2300	Other current liabilities (note 6(t))	17,710	1	20,453	-
2322	Long-term borrowings, current portion (notes 6(m) and 8)	8,551	-	7,163	-
2321	Bonds payable, current portion (note 6(n))	495,083	10	-	-
	Total current liabilities	1,256,278	26	1,010,041	20
	Non-Current liabilities:				
2530	Bonds payable (note 6(n))	-	-	488,756	10
2540	Long-term borrowings (notes 6(m) and 8)	81,304	2	93,518	2
2570	Deferred tax liabilities (note 6(q))	306,564	6	278,837	6
2580	Lease liabilities－non-current (note 6(o))	3,214	-	5,036	-
2640	Net defined benefit liability, non-current (note 6(p))	73,305	2	71,411	1
2650	Credit balance of investments accounted for using equity method (note 6(g))	3,842	-	2,506	-
	Total non-current liabilities	468,229	10	940,064	19
	Total liabilities	1,724,507	36	1,950,105	39
	Equity (notes 6(n), (p), (q) and (r)):				
3100	Ordinary shares	789,561	16	789,534	16
3200	Capital surplus	615,229	13	608,100	12
3300	Retained earnings	1,819,452	38	1,759,936	35
3400	Other equity	(148,902)	(3)	(92,225)	(2)
	Total equity	3,075,340	64	3,065,345	61
	Total liabilities and equity	$ 4,799,847	100	5,015,450	100

See accompanying notes to parent-company-only financial statements.

CviLux Corporation

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
	Operating Revenues:				
4111	Sales revenue	1,987,541	103	2,450,631	102
4170	Less: sales returns	(10,610)	-	(8,970)	-
4190	sales discounts and allowances	(52,680)	(3)	(56,693)	(2)
	Operating revenue (notes 6(t) and 7)	1,924,251	100	2,384,968	100
5000	**Operating costs (notes 6(f), (h), (i), (k), (p), (u) and 7)**	(1,482,985)	(77)	(1,985,525)	(83)
	Gross profit from operations	441,266	23	399,443	17
	Operating expenses (notes 6(h), (i), (k), (o), (p), (u) and 7):				
6100	Selling expenses	(127,573)	(7)	(145,917)	(6)
6200	Administrative expenses	(171,952)	(9)	(175,007)	(8)
6300	Research and development expenses	(37,254)	(2)	(24,893)	(1)
6450	Expected credit loss	-	-	-	-
	Total operating expenses	(336,779)	(18)	(345,817)	(15)
	Net operating income	104,487	5	53,626	2
	Non-operating income and expenses (notes 6(n), (o), (v) and 7):				
7100	Interest income	8,682	-	2,647	-
7010	Other income	414	-	175	-
7020	Other gains and losses	48,725	3	65,476	3
7060	Share of profit of subsidiaries and associates accounted for using equity method	136,742	7	310,815	13
7050	Finance costs	(11,297)	-	(9,457)	-
	Total non-operating income and expenses	183,266	10	369,656	16
	Income before tax	287,753	15	423,282	18
7950	**Less: income tax expenses (note 6(q))**	69,844	4	91,773	4
	Net income	217,909	11	331,509	14
8300	**Other comprehensive income (notes 6(p), (q) and (r)):**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(608)	-	5,356	-
8349	Income tax related to items that may not be reclassified to profit or loss	(122)	-	1,071	-
	Total items that may not be reclassified subsequently to profit or loss	(486)	-	4,285	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statement	(263)	-	242	-
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(56,414)	(3)	29,311	1
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified to profit or loss	(56,677)	(3)	29,553	1
8300	**Other comprehensive income (loss)**	(57,163)	(3)	33,838	1
	Total comprehensive income	$ 160,746	8	365,347	15
	Earnings per share (expressed in New Taiwan Dollars) (note 6(s))				
9750	**Basic earnings per share**	$ 2.76		4.20	
9850	**Diluted earnings per share**	$ 2.44		3.67	

(English Translation of Originally Issued in Chinese)

CviLux Corporation

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2022	$ 789,534	608,083	398,744	90,884	1,092,421	1,582,049	(121,778)	2,857,888
Net income	-	-	-	-	331,509	331,509	-	331,509
Other comprehensive income	-	-	-	-	4,285	4,285	29,553	33,838
Total comprehensive income	-	-	-	-	335,794	335,794	29,553	365,347
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	33,640	-	(33,640)	-	-	-
Special reserve	-	-	-	30,894	(30,894)	-	-	-
Cash dividends	-	-	-	-	(157,907)	(157,907)	-	(157,907)
Other changes in capital surplus	-	17	-	-	-	-	-	17
Balance at December 31, 2022	789,534	608,100	432,384	121,778	1,205,774	1,759,936	(92,225)	3,065,345
Net income	-	-	-	-	217,909	217,909	-	217,909
Other comprehensive income	-	-	-	-	(486)	(486)	(56,677)	(57,163)
Total comprehensive income	-	-	-	-	217,423	217,423	(56,677)	160,746
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	33,579	-	(33,579)	-	-	-
Special reserve	-	-	-	(29,553)	29,553	-	-	-
Cash dividends	-	-	-	-	(157,907)	(157,907)	-	(157,907)
Changes in equity of associates and joint ventures accounted for using equity method	-	7,057	-	-	-	-	-	7,057
Conversion of convertible bonds	27	72	-	-	-	-	-	99
Balance at December 31, 2023	**$ 789,561**	**615,229**	**465,963**	**92,225**	**1,261,264**	**1,819,452**	**(148,902)**	**3,075,340**

See accompanying notes to parent-company-only financial statements.

CviLux Corporation

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Income before tax	$ 287,753	423,282
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,164	10,637
Amortization expense	11,208	9,898
Net loss on financial assets at fair value through profit or loss	520	5,257
Interest expense	11,297	9,457
Interest income	(8,682)	(2,647)
Share of income of subsidiaries and associates accounted for using equity method	(136,742)	(310,815)
Loss on disposal of property, plant and equipment	(73)	206
Prepayments for business facilities and property, plant and equipment transferred to expenses	62	136
Total adjustments to reconcile profit	(109,246)	(277,871)
Changes in operating assets/ liabilities:		
Acquistion of financial assets at fair value through profit or loss	(9,145)	(7,299)
Proceeds from disposal of financial assets at fair value through profit or loss	7,555	5,134
Notes and accounts receivable	66,314	188,909
Accounts receivable-related parties	(10,200)	14,952
Other receivables	(265)	4,074
Other receivables-related parties	(18,832)	(812)
Inventories	37,368	69,777
Prepaid expenses, other current assets and non-current assets	6,465	(4,289)
Total changes in operating assets	79,260	270,446
Changes in operating liabilities:		
Notes and accounts payable	(11,380)	(35,027)
Accounts payable to related parties	(200,183)	3,314
Other payables	(9,679)	(768)
Other payables to related parties	(646)	390
Other current liabilities	(2,743)	127
Net defined benefit liability	1,286	604
Total changes in operating liabilities	(223,345)	(31,360)
Cash inflow generated from operations	34,422	384,497
Interest received	7,711	2,109
Dividends received	-	31,536
Interest paid	(4,916)	(3,241)
Income taxes paid	(7,111)	(30,036)
Net cash flows from operating activities	30,106	384,865
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortised cost	30,204	4,777
Acquisition of investments accounted for using equity method	-	(62,981)
Acquisition of property, plant and equipment	(4,987)	(24,185)
Proceeds from disposal of property, plant and equipment	159	5,556
Decrease (increase) in refundable deposits	(73)	500
Increase in other receivables-related parties	(76,755)	(46,065)
Acquisition of intangible assets	(14,896)	(11,876)
Increase in prepayments for business facilities	(439)	(921)
Net cash used in investing activities	(66,787)	(135,195)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	530,000	1,770,000
Decrease in short-term borrowings	(590,000)	(1,720,000)
Proceeds from long-term borrowings	-	60,000
Repayments of long-term borrowings	(10,826)	(8,285)
Payment of lease liabilities	(1,914)	(1,942)
Cash dividends paid	(157,907)	(157,907)
Others	-	17
Net cash used in financing activities	(230,647)	(58,117)
Net increase (decrease) in cash and cash equivalents	(267,328)	191,553
Cash and cash equivalents at beginning of period	565,386	373,833
Cash and cash equivalents at ending of period	**$ 298,058**	**565,386**

(English Translation of and Report Originally Issued in Chinese)

CviLux Corporation

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

CviLux Corporation (the "Company") was incorporated on March 16, 1990 as a company limited by shares and registered under the Ministry of Economic Affairs (MOEA) of the Republic of China (R.O.C.). The address of Company's registered office is 9F., No.9, Ln. 3, Sec. 1, Zhongzheng E. Rd., Tamsui Dist., New Taipei City. The Company and its subsidiaries (the Company)'s major operating activities are the assembling, manufacture, processing, and trading of connectors used in the electronic industry, electrical machinery, communications, and computer equipment.

(2) Approval date and procedures of the financial statements

The financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

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

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

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

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

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

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

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

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

1) Financial instruments at fair value through profit or loss are measured at fair value;

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

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

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

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

An entity shall classify a liability as current when:

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

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

(iii) It is due to be settled within twelve months after the reporting date; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments that do not affect its classification.

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as financial assets at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through profit or loss (FVTPL)

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

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

3) Impairment of financial assets

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

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

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

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

Loss allowance for notes and accounts receivable are always measured at an amount equal to lifetime ECL.

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

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

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when the financial asset is more than one years past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than one year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

4) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Financial liabilities

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

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

2) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3) Derecognition of financial liabilities

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

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

4) Offsetting of financial assets and liabilities

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

(g) Inventories

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

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

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies. Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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

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

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

(i) Investment in subsidiaries

When preparing the financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries. In subsidiaries which are controlled by the Company is accounted for preparing the consolidated statement by each period.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures: 5 to 55 years

2) Machinery and equipment: 2 to 10 years

3) Other equipment: 1 to 8 years

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

(k) Leases

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

(i) As a leasee

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

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

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

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

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

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

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

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

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

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

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(l) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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

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

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The intangible assets of the Company is trade marks and computer software, the estimated useful life was three to five years.

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

(m) Impairment of non-financial assets

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

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

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

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

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

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

(n) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

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

2) Financing components

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

(ii) Contract costs

1) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

2) Costs to fulfill a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfill the contract that was not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(o) Government grants

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as reduction of assets at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as reduction of depreciation on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(q) Income taxes

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

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

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

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

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

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

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

(s) Operating segment

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statements.

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

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

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

The Company likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts. Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the financial statements.

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

- Valuation of inventories

  As inventories are stated at the lower of cost or net realizable value, the Company estimatesthe net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The valuation of the inventoy is mainly determined basing on the demand of products in the future. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to note 6(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	$ 535	1,076
Demand deposits	267,234	533,600
Time deposits	30,289	30,710
	$ 298,058	565,386

Please refer to note 6(w) for credit risk and market risk information of the financial assets of the Company.

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss－current:		
Non-derivative financial assets		
Funds	$ 4,783	4,573
Foreign corporate bonds	11,861	10,744
Financial assets designated at fair value thorough profit or loss:		
Preferred stock listed on foreign markets	306	513
	$ 16,950	15,830
Mandatorily measured at fair value through profit or loss－non-current:		
Convertible bounds with embedded derivatives	$ -	50

(i) The derivate financial instruments arising from the issuance of convertible bonds of the Company were stated in note 6(n).

(ii) For credit risk and market risk information, please refer to note 6(w).

(iii) The financial assets were not collateralized.

(c) Financial assets at amortized cost－current

	December 31, 2023	December 31, 2022
Restricted deposits－current	$ -	30,204

(i) Due to the Company's investment in the government projects that has yet to be completed and in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, the Company's restricted bank deposits shall not be diverted for other purposes except for the approved plans.

(ii) For credit risk, please refer to note note 6(w).

(d) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 3,562	2,045
Accounts receivable	550,019	617,850
Accounts receivable－related parties	33,177	22,977
Subtotal	586,758	642,872
Less: loss allowance	(4,514)	(4,514)
	$ 582,244	638,358

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

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 559,468	0.09%	1,266
Overdue 1~30 days	19,758	3.53%~9.86%	923
Overdue 31~90 days	6,523	19.02%~80.23%	1,316
Overdue 91~180 days	1	94.81%	1
Overdue 181~365 days	83	100%	83
Overdue more than 366 days	925	100%	925
	$ 586,758		4,514

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 626,929	0.09%	2,549
Overdue 1~30 days	13,847	3.77%~9.34%	711
Overdue 31~90 days	1,102	19.91%~84.98%	262
Overdue 91~180 days	91	97.69%	89
Overdue 181~365 days	156	100%	156
Overdue more than 366 days	747	100%	747
	$ 642,872		4,514

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

	2023	2022
Beginning at January 1	$ 4,514	4,557
Amounts written off	-	(43)
Balance at December 31	$ 4,514	4,514

As of December 31, 2023 and 2022, the notes and accounts receivable were no pledged as collateral for borrowings.

(e) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	$ 378	113
Other receivables－related parties	144,491	47,933
Subtotal	144,869	48,046
Less: loss allowance	-	-
	$ 144,869	48,046

As of December 31, 2023 and 2022, the other receivable were no overdue and no pledged as collateral for borrowings.

(f) Inventories

(i) The details of inventories were as follows:

		December 31, 2023	December 31, 2022
Finished goods	$	2,881	6,847
Work in progress		1,281	1,143
Raw materials		-	122
Supplies		118	340
Merchandise		68,930	102,126
	$	**73,210**	**110,578**

(ii) Except for cost of goods sold, the gains or losses which were recognized as operating cost were as follows:

		2023	2022
(Gains) losses on valuation of inventories and obsolescence	$	(710)	15,130
Loss on obsolescence		3,142	5,044
Unallocated production overheads		1,061	5,363
Gains from disposal of scraps		(579)	(820)
Gains on inventory count		(33)	(21)
	$	**2,881**	**24,696**

(iii) As of December 31, 2023 and 2022, the inventories were not pledged as collateral for borrowings.

(g) Investments accounted for using equity method (credit balance)

A summary of the Company's financial information for investments accounted for using the equity method (credit balance) at the reporting date is as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	**$**	**3,427,948**	**3,339,422**
Subsidiaries	**$**	**(3,842)**	**(2,506)**

Please refer to the consolidated financial statements for the year ended December 31, 2023.

The Company participated in the cash capital increase of CviLux Korea Corp. and Cvicloud Corp. in the second and fourth quarters of 2022, with new investments of $5,981 thousand and $57,000 thousand, respectively, according to its shareholding ratios in both companies.

(i) Pledge

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

(h) Property, plant and equipment

(i) The movements were as follows:

	Land	Building and structure	Machinery and equipment	Other equipment	Unfinished construction	Total
Cost or deemed cost:						
Balance at January 1, 2023	$ 90,472	118,097	124,585	31,877	543	365,574
Additions	-	-	389	2,696	-	3,085
Disposals	-	-	(4,600)	(156)	-	(4,756)
Reclassification	-	-	2,158	-	(543)	1,615
Balance at December 31, 2023	**$ 90,472**	**118,097**	**122,532**	**34,417**	**-**	**365,518**
Balance at January 1, 2022	$ 90,472	115,317	119,173	22,772	1,865	349,599
Additions	-	2,780	10,459	8,507	543	22,289
Disposals	-	-	(12,821)	(66)	-	(12,887)
Reclassification	-	-	7,774	664	(1,865)	6,573
Balance at December 31, 2022	**$ 90,472**	**118,097**	**124,585**	**31,877**	**543**	**365,574**
Depreciation:						
Balance at January 1, 2023	$ -	41,101	103,712	19,371	-	164,184
Depreciation	-	3,251	4,210	3,784	-	11,245
Disposals	-	-	(4,446)	(156)	-	(4,602)
Balance at December 31, 2023	**$ -**	**44,352**	**103,476**	**22,999**	**-**	**170,827**
Balance at January 1, 2022	$ -	38,185	112,343	16,183	-	166,711
Depreciation	-	2,916	2,497	3,254	-	8,667
Disposals	-	-	(11,128)	(66)	-	(11,194)
Balance at December 31, 2022	**$ -**	**41,101**	**103,712**	**19,371**	**-**	**164,184**
Carrying amounts:						
Balance at December 31, 2023	**$ 90,472**	**73,745**	**19,056**	**11,418**	**-**	**194,691**
Balance at January 1, 2022	**$ 90,472**	**77,132**	**6,830**	**6,589**	**1,865**	**182,888**
Balance at December 31, 2022	**$ 90,472**	**76,996**	**20,873**	**12,506**	**543**	**201,390**

(ii) The property, plant and equipment of the Company had been pledged as collateral for long-term borrowings, please refer to note 8.

(i) Right-of-use assets

The movements were as follows:

		Building and structure	Vehicles	Total
Cost:				
Balance at January 1, 2023	$	10,200	-	10,200
Additions		218	-	218
Balance at December 31, 2023	**$**	**10,418**	**-**	**10,418**
Balance at January 1, 2022	$	9,501	488	9,989
Additions		699	-	699
Disposals		-	(488)	(488)
Balance at December 31, 2022	**$**	**10,200**	**-**	**10,200**
Accumulated depreciation:				
Balance at January 1, 2023	$	3,432	-	3,432
Depreciation		1,919	-	1,919
Balance at December 31, 2023	**$**	**5,351**	**-**	**5,351**
Balance at January 1, 2022	$	1,645	305	1,950
Depreciation		1,787	183	1,970
Disposals		-	(488)	(488)
Balance at December 31, 2022	**$**	**3,432**	**-**	**3,432**
Carrying amount:				
Balance at December 31, 2023	**$**	**5,067**	**-**	**5,067**
Balance at January 1, 2022	**$**	**7,856**	**183**	**8,039**
Balance at December 31, 2022	**$**	**6,768**	**-**	**6,768**

(j) Prepayment for business facility

The movements were as follows:

		2023	2022
Balance at January 1	$	6,389	12,657
Additions		439	921
Reclassification		(6,342)	(7,075)
Transferred to expense		(47)	(114)
Balance at December 31	**$**	**439**	**6,389**

(k) Intangible assets

(i) The movements were as follows:

	Trademarks	Computer software	Total
Costs:			
Beginning balance at January 1, 2023	$ 640	56,368	57,008
Additions	-	14,896	14,896
Disposals	-	(4,740)	(4,740)
Reclassification	-	4,712	4,712
Balance as of December 31, 2023	**$ 640**	**71,236**	**71,876**
Beginning balance at January 1, 2022	$ 640	44,334	44,974
Additions	-	11,876	11,876
Disposals	-	(322)	(322)
Reclassification	-	480	480
Balance at December 31, 2022	**$ 640**	**56,368**	**57,008**
Amortization and impairment loss:			
Beginning balance at January 1, 2023	$ 523	41,309	41,832
Amortization	58	11,150	11,208
Disposals	-	(4,740)	(4,740)
Balance at December 31, 2023	**$ 581**	**47,719**	**48,300**
Beginning balance at January 1, 2022	$ 465	31,791	32,256
Amortization	58	9,840	9,898
Disposals	-	(322)	(322)
Balance at December 31, 2022	**$ 523**	**41,309**	**41,832**
Carrying amounts:			
Balance at December 31, 2023	**$ 59**	**23,517**	**23,576**
Balance at January 1, 2022	**$ 175**	**12,543**	**12,718**
Balance at December 31, 2022	**$ 117**	**15,059**	**15,176**

(ii) The intangible assets were not pledged as collateral for borrowing.

(l) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans (currency: NTD)	**$ 150,000**	**210,000**
Unused short-term credit lines	**$ 749,600**	**689,600**
Range of interest rates	**1.79%~1.8222%**	**1.6765%~2.1%**

There were no pledge as collateral for short-term borrowings.

(m) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured long-term borrowing (currency: NTD)	$ 89,855	100,681
Less: current portion	(8,551)	(7,163)
Total	**$ 81,304**	**93,518**
Unused long-term credit lines	**$ 122,459**	**120,000**
Range of interst rate	**1.73%~2.245%**	**1.48%~2.120%**
Maturity year	**114/10/31~116/8/27**	**112/4/1~116/8/27**

(i) As of December 31, 2023, the remaining balances of the borrowing due were as follows:

Year due	Amount
113.1.1~113.12.31	$ 8,551
114.1.1~114.12.31	66,286
115.1.1~115.12.31	8,943
116.1.1~116.12.31	6,075
	$ 89,855

(ii) Pledge for loan

The collateral for these long term borrowings, please refer to note 8.

(n) Bonds payable

The details of bonds payable were as follows:

	December 31, 2023	December 31, 2022
Total convertible corporate bonds issued	$ 500,000	500,000
Less: unamortized discounted corporate bonds payable	(4,817)	(11,244)
cumulative converted amount	(100)	-
Subtotal	495,083	488,756
Less: current portion	(495,083)	-
Corporate bonds issued balance at year-end	**$ -**	**488,756**
Embedded derivative instruments－call rights (included in current financial assets at fair value through profit or loss)	**$ -**	**50**
Equity components–conversion options (included in capital surplus–share options)	**$ 43,757**	**43,766**

	2023	2022
Embedded derivative instruments call rights, (included net losses in financial assets at fair value through profit or loss)	$ (50)	(1,800)
Interest expenses	$ 6,427	6,197

On October 21, 2021, the Company issued the fourth unsecured domestic convertible bonds amounting to $500,000 thousand, with major terms as follows:

(i) Coupon rate: 0%.

(ii) Maturity date: three years (with the maturity date on October 21, 2024)

(iii) Method of repayment: Except for early redemption and conversion, the Company should repay its convertible bonds in cash upon maturity.

(iv) Redemption method: The Company may redeem its bonds from a creditor if it meets one of the following criteria:

1) If the closing price of the Company's ordinary shares listed on the Taipei Exchange exceeded 30% of the conversion price for 30 consecutive business days within the period between 3 months after the date of issuance and 40 days before the maturity date, the Company may redeem its entire convertible bonds outstanding at par value in cash.

2) Upon creditor's request to convert the bonds, if the total amount of unconverted bonds for the period is less than 10% of the total amount of the bonds issued for the period between 3 months after the issuance of convertible bonds and 40 days before the maturity date, the Company may redeem the bonds at par value in cash.

(v) Terms of conversion

1) After 3 months from the date of issue, the holders of the above-mentioned convertible bonds may convert their bonds into ordinary shares in accordance with the conversion method stipulated by the Company.

2) Pricing of convertible bonds:

Although the conversion price at the time of issuance was $42.2, the conversion price may be adjusted according to the formula prescribed in the conversion method in the event of a change in the Company's ordinary shares or a re-issuance of the conversion rights of the ordinary shares at a conversion price below the current price per share after the corporate bonds have been issued.

The conversion price of the Company’s 4th domestic convertible bonds on September 15, 2023 amounted to $37.65 per share. As of December 31, 2023, the Company’ s 4th domestic convertible bonds, with a accumulated face value of $100 thousand per share, had been converted into 3,000 ordinary shares.

(o) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 1,928	1,802
Non-current	$ 3,214	5,036

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest expense on lease liabilities (recorded under finance costs)	$ 72	86
Expenses relating to short-term leases	$ 92	-
Expenses relating to leases of low-value assets	$ 48	48

The amounts recognized in the statement of cash flows by the Company were as follows:

	2023	2022
Total cash outflow for leases	$ 2,126	2,076

(i) Buildings leases

The Company leases buildings for its plants, office space and retail stores. The leases of office space and retail stores typically run for a period of 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases vehicles, with lease terms of two to three years. In some cases, the Company has options to purchase the assets at the end of the contract term.

The Company also leases other equipment with contract terms of two years. These leases are short-term and leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 97,879	95,536
Fair value of plan assets	(24,574)	(24,125)
Net defined benefit liabilities	**$ 73,305**	**71,411**

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

1) Composition of plan assets

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

As of December 31, 2023, the balance of the employee pension reserve account with Bank of Taiwan amounted to $17,398 thousand and the balance of pension account for executive officers amounted to $7,176 thousand. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

	2023	2022
Defined benefit obligations at January 1	$ 95,536	97,147
Current Service costs and interst cost	3,599	2,575
Remeasurements gain	555	(4,186)
Benefits paid	(1,811)	-
Defined benefit obligations at December 31	**$ 97,879**	**95,536**

3) Movements of defined benefit plan assets

		2023	2022
Fair value of plan assets at January 1	$	24,125	20,984
Expected return on plan assets		421	131
Remeasurements gain			
-Return on plan assets excluding interest income		(53)	1,170
Contributions paid by the employer		1,892	1,840
Benefits paid		(1,811)	-
Fair value of plan assets at December 31	**$**	**24,574**	**24,125**

4) Movements of the effect of the asset ceiling

For the years ended December 31, 2023 and 2022, there were no movements in the effect of plan assets ceiling.

5) Expenses recognized in profit or loss

		2023	2022
Current service costs	$	2,127	2,034
Net interest of net liabilities for defined benefit obligations		1,472	541
Expected return on plan assets		(421)	(131)
	$	**3,178**	**2,444**

		2022	2022
Operating costs	$	318	244
Selling expenses		2,860	2,200
	$	**3,178**	**2,444**

6) The remeasurement of the not defined benefit liabilities recognized in other comprehensive income.

		2023	2022
Balance at January 1	$	(25,017)	(30,373)
Recognized during the period		(608)	5,356
Balance at December 31	**$**	**(25,625)**	**(25,017)**

7) Actuarial assumptions

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

	December 31, 2023	December 31, 2022
Discount rate	1.625 %	1.750 %
Future salary rate increase	3.000 %	3.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date of 2023 is $1,861 thousand.

The weighted-average lifetime of the defined benefits plans for the year ended December 31, 2023 is 12.24 years.

8) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions for each measurement date, including discount rates and future salary changes. Any changes in the actuarial assumptions may significantly influence the amount of the defined benefit obligations.

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

	Impact on defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	(1,504)	1,557
Future salary increasing rate	1,502	(1,461)
December 31, 2022		
Discount rate	(1,576)	1,640
Future salary increasing rate	1,578	(1,534)

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

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

(ii) Defined contribution plans

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

The pension cost incurred from the contributions to the Bureau of the Labor Insurance amounted to $6,119 thousand and $6,284 thousand for the years ended December 31, 2023 and 2022, respectively.

(q) Income taxes

(i) The components were as follows:

		2023	2022
Current tax expenses			
Current period	$	(43,830)	(20,973)
Adjustment for prior periods		501	(4,888)
		(43,329)	(25,861)
Deferred tax expense			
Origination and reversal of temporary differences		(26,515)	(65,912)
Income tax expenses	**$**	**(69,844)**	**(91,773)**

The amounts of income tax recognized in other comprehensive income were as follows:

		2023	2022
Remeasurement from defined benefit plans	**$**	**122**	**(1,071)**

Reconciliation of income tax expense and income before tax were as follows.

		2023	2022
Income before tax	**$**	**287,753**	**423,282**
Income tax using the Company's domestic tax rate	$	(57,550)	(84,656)
Gain on domestic investments		36	7,657
Additional tax on unappropriated earnings		(6,870)	(3,391)
Adjustment for perior periods		501	(4,888)
Non-deductible expense		(961)	(927)
Others		(5,000)	(5,568)
	$	**(69,844)**	**(91,773)**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Unrecognized deferred tax liabilities:		
Aggregate amount of temporary differences related to investments in subsidiaries	$ 289,071	282,816

2) Recognized deferred tax assets and liabilities

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

	Defined Benefit Plan	Deferred Losses	Allowance for obsolete inventories	Others	Total
Deferred tax assets:					
Balance at January 1, 2023	$ 14,314	3,096	9,929	849	28,188
Recognized in profit or loss	257	1,408	(142)	(311)	1,212
Recognized in other comprehensive income	122	-	-	-	122
Balance at December 31, 2023	$ 14,693	4,504	9,787	538	29,522
Balance at January 1, 2022	$ 15,233	5,305	6,903	146	27,587
Recognized in profit or loss	152	(2,209)	3,026	703	1,672
Recognized in other comprehensive income	(1,071)	-	-	-	(1,071)
Balance at December 31, 2022	$ 14,314	3,096	9,929	849	28,188

	Gain on investment	Others	Total
Deferred tax liabilities:			
Balance at January 1, 2023	$ 269,905	8,932	278,837
Recognized in profit or loss	28,719	(992)	27,727
Balance at December 31, 2023	$ 298,624	7,940	306,564
Balance at January 1, 2022	$ 209,545	1,708	211,253
Recognized in profit or loss	60,360	7,224	67,584
Balance at January 1, 2022	$ 269,905	8,932	278,837

(iii) Assessment

The Company's income tax returns for all years through 2020 were assessed by the tax authorities.

(r) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized share capital consisted of $1,000,000 thousand shares of ordinary shares, with par value of $10 per share, and the paid-in capital amounted to $789,561 thousand and $789,534 thousand, of which 78,956 thousands shares and 78,953 thousands shares, where issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

	December 31, 2023	December 31, 2022
Cash subscription in excess of par value of shares	$ 1,336	1,336
Additional paid-in capital from bond conversion	558,402	558,321
Stock options	43,757	43,766
Difference between actual acquiring or disposing subsidiary's equity and carrying amount	4,660	4,660
Changes in equity of associates and joint ventures accounted for using equity method	7,057	-
Other	17	17
	$ **615,229**	**608,100**

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

(iii) Retained earnings

The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior years'deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. In addition, special reserve shall be appropriated according to related regulations, and then any remaining profit together with any distributable earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

In accordance with the provisions of the preceding Article, Item 5 of Article 240 and Item 1 of Article 241 of the Company Act, the distributable dividends and bonuses, in whole or in part, may be paid in cash after a resolution has been adopted by a majority vote at a board meeting attended by two thirds of the total number of directors; thereafter, to be reported at the shareholders' meeting.

According to the Company's dividend policy, taking into account the future capital and investment requirement, foreign and domestic competition, as well as shareholders' interests, the profit sharing for shareholders shall not be lower than 15% of the total distributable dividends for the year.

Dividends for shareholders may be distributed in stocks or cash, however the cash dividends shall not be less than 10% of the total dividends.

1) Legal reserve

According to the Company Act, a company should provide 10% of its after tax net profit as Legal reserve until it is equal to its capital. If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion in excess of 25% of the share capital.

2) Special reserve

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special reserve during earnings distribution. The amount to be reclassified should be equal to the current period's total net reduction of other shareholders equity. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2022 and 2021 had been decided by the resolutions adopted at the board meeting and general meeting of the shareholders held on March 22, 2023 and June 23, 2022, respectively, as follows:

	2022		2021	
	Amount per share (in dollar)	**Total amount**	**Amount per share (in dollar)**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 2.00	$ 157,907	2.00	157,907

On March 14, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023			
	Amount per share (in dollar)		**Total amount**	
Dividends distributed to ordinary shareholders				
Cash	$	1.38	$	110,184

(iv) Other comprehensive income accumulated in reserves, net of tax

		Exchange differences on translation of foreign financial statements
Beginning balance at January 1, 2023	$	(92,225)
Exchange differences on translation of foreign financial statements		(263)
Exchange differences on associates accounted for using equity method		(56,414)
Balance at December 31, 2023	**$**	**(148,902)**

		Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	$	(121,778)
Exchange differences on translation of foreign financial statements		242
Exchange differences on associates accounted for using equity method		29,311
Balance at December 31, 2022	**$**	**(92,225)**

(s) Earnings per share (“EPS”)

(i) Basic EPS

		2023	**2022**
Profit attributable to ordinary shareholders of the Company	**$**	**217,909**	**331,509**
Weighted average number of ordinary shares outstanding during the period (thousand shares)	**$**	**78,954**	**78,953**
Basic earnings per share (in dollars)	**$**	**2.76**	**4.20**

(ii) Diluted EPS

		2023	2022
Profit attributable to ordinary shareholders of Company	$	217,909	331,509
Interest expense and other gains and losses on convertible bonds, net of tax		5,181	6,398
Profit attributable to ordinary shareholders of Company (after adjusting the effect of potentially dilutive ordinary shares)	$	**223,090**	**337,907**
Weighted-average number of ordinary shares (in thousands shares)		78,954	78,953
Effect of potentially dilutive ordinary shares:			
Employee remuneration (in thousand shares)		679	1,270
Convertible bonds (thousand shares)		11,847	11,848
Weighted-average number of ordinary shares (after adjusting the effect of potentially dilutive ordinary shares) (in thousand shares)		**91,480**	**92,071**
Diluted earnings per share (in dollars)	$	**2.44**	**3.67**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		Electronics components	
		2023	2022
Primary geographical markets:			
Asia	$	1,430,278	1,662,146
Europe		384,763	592,615
Others		109,210	130,207
	$	**1,924,251**	**2,384,968**

(ii) Contract balance

		December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (including related parties)	$	586,758	642,872	846,776
Less: loss allowance		(4,514)	(4,514)	(4,557)
Total	$	**582,244**	**638,358**	**842,219**
Contract liabilities (be included in other non-current liabilities)	$	**3,071**	**4,437**	**4,068**

For details on notes and accounts receivable (including related parties) and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the year that was included in the contract liability balance at the beginning of the period were as follows:

	2023	2022
Revenue recognized	$ 2,674	3,607

(u) Remuneration to employees and directors

In accordance with the articles of incorporation the Company should contribute 5%~12% of the profit as employees' remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. The company allocate the remuneration to directors in cash.

The Company estimated its employee remuneration and directors' and supervisors' remuneration based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2023 and 2022. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

The Company's estimated is as follows:

	2023	2022
Employees' remuneration	$ 23,211	34,143
Directors' remuneration	6,995	10,290
	$ 30,206	44,433

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's parent-company-only financial statements of the years ended December 31, 2023 and 2022. The related information can be found on Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

	2023	2022
Interest income from bank deposits	$ 5,698	1,288
Other interest income	2,984	1,359
	$ 8,682	2,647

(ii) Other income

	2023	2022
Rent income	$ **414**	**175**

(iii) Other gains and losses

	2023	2022
Foreign exchange gains	$ 7,641	57,233
Gain (losses) on disposals of property, plant and equipment	73	(206)
Losses on financial assets at fair value through profit or loss	(520)	(5,257)
Consultant income	26,308	14,892
Government grants income	623	396
Others	14,600	(1,582)
	$ **48,725**	**65,476**

(iv) Finance costs

	2023	2022
Interest expense on bank borrowings and bonds	$ (11,225)	(9,371)
Interest expense on lease liabilities	(72)	(86)
	$ **(11,297)**	**(9,457)**

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

As at reporting date, the Company's exposure to credit and the maximum exposure were mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- As of December 31, 2023 and 2022, the financial guarantees, provided by the Company to its, directly or indirectly, fully owned subsidiaries, amounted to \$198,718 thousand and \$262,436 thousand, respectively.

2) Concentration of credit risk

Accounts receivable were due from many customers and regional distributions were decentralized. Therefore, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continually evaluates each customer's financial situation. However, the Company does not require its customers to provide collaterals.

3) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

Financial assets at amortized cost includes other receivables and restricted deposits. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$ 150,000	150,940	150,940	-	-	-
Notes and accounts payable, other payable (including related parties) and lease liabilities	532,429	537,596	534,309	1,625	1,662	-
Long-term borrowings (including current portion)	89,855	93,061	10,187	67,559	15,315	-
Bonds payable (including current portion)	495,083	499,900	499,900	-	-	-
	$ 1,267,367	**1,281,497**	**1,195,336**	**69,184**	**16,977**	**-**
December 31, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 210,000	211,495	211,495	-	-	-
Notes and accounts payable, other payable (including related parties) and lease liabilities	757,960	758,258	753,056	1,914	3,288	-
Long-term borrowings (including current portion)	100,681	105,616	8,845	8,847	84,609	3,315
Bonds payable	488,756	500,000	-	-	500,000	-
	$ 1,557,397	**1,575,369**	**973,396**	**10,761**	**587,897**	**3,315**

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

(iii) Currency risk

1) Exposure to currency risk

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

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 28,107	30.705	863,026	30,505	30.71	936,809
CNY	11,064	4.327	47,874	15,235	4.408	67,156
HKD	1,011	3.929	3,972	1,599	3.938	6,297
EUR	1,151	33.98	39,111	2,772	32.720	90,700
JPY	1,929	0.217	419	7,370	0.232	1,710
Non-monetary items						
USD	40	30.705	1,221	-	-	-
Financial liabilities						
Monetary items						
USD	12,875	30.705	395,327	18,803	30.71	577,440
HKD	474	3.929	1,862	694	3.938	2,733
Non-monetary items						
KRW	160,671	0.0239	3,842	45,671	0.0245	1,121
USD	-	30.705	-	45	30.71	1,385

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value, financial assets at amortized cost, borrowing, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) 5 % of the NTD against the USD, CNY, HKD, EUR, JPY, as of December 31, 2023 and 2022 would have increased (decreased) the net income before tax by $27,861 thousand and $26,126 thousand, respectively. The analysis is performed on the same basis for 2022.

3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gains (losses) (including realized and unrealized portions) on monetary items were disclosed by total amounts:

	2023	2022
Foreign exchange gains (losses)	$ 7,641	57,233

(iv) Interest rate risk

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

The interest rate risk is mainly due to the Company's borrowing at variable rates and fair value throught profit or loss at fixed-interest rate. If the interest rate increased (decreased) by 0.5% with all other variable factors remaining constant on the reporting date, the Company's profit loss before tax would increased (decreased) as follows:

	Impact on income (loss) before tax	
	Increase by 0.5%	**Decreases by 0.5%**
December 31, 2023	$ (3,640)	3,640
December 31, 2022	$ (3,975)	3,975

(v) Other market price risk

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

	2023		**2022**	
Price of securities at the reporting date	**Other Comprehensive Income after tax**	**Net income**	**Other Comprehensive Income after tax**	**Net income**
increase 5%	$ -	187	-	183
decrease 5%	$ -	(187)	-	(183)

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and the investments in equity instrument that are not quoted in an active market and can not reliably measure at fair value, disclosure of fair value information is not required:

	December 31, 2023				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Non-derivative financial assets mandatorily measured at fair value through profit or loss:					
Foreign corporate bonds	$ 11,861	-	11,861	-	11,861
Funds	4,783	4,783	-	-	4,783
Designated at fair value through profit or loss:					
Preferred stock listed on foreign markets	306	-	306	-	306
Total	**$ 16,950**	**4,783**	**12,167**	**-**	**16,950**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 298,058	-	-	-	-
Notes and accounts receivable and other receivables (including related parties)	727,113	-	-	-	-
Guarantee deposits paid	423	-	-	-	-
Total	**$ 1,025,594**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost:					
Bank borrowing (short-term and long-term)	$ 239,855	-	-	-	-
Bounds payable	495,083	-	-	-	-
Notes and account payable, other payables (including related parties) and lease liabilities	532,429	-	-	-	-
Total	**$ 1,267,367**	**-**	**-**	**-**	**-**

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	December 31, 2022				
	Book value	Fair value			
		Level 1	Level 2	Level 3	Total
Non-derivative financial assets mandatorily measured at fair value through profit or loss:					
Foreign corporate bonds	$ 10,744	-	10,744	-	10,744
Funds	4,573	4,573	-	-	4,573
Derivative financial assets mandatorily measured at fair value through profit or loss	50	-	50	-	50
Designated at fair value through profit or loss:					
Preferred stock listed on foreign markets	513	-	513	-	513
Total	**$ 15,880**	**4,573**	**11,307**	**-**	**15,880**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 565,386	-	-	-	-
Restricted deposits (current)	30,204	-	-	-	-
Notes and accounts receivable and other receivables (including related parties)	686,404	-	-	-	-
Guarantee deposits paid	350	-	-	-	-
Total	**$ 1,282,344**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost:					
Bank borrowing (short-term and long-term)	$ 310,681	-	-	-	-
Bounds payable	488,756	-	-	-	-
Notes and account payable, other payables (including related parties) and lease liabilities	757,960	-	-	-	-
Total	**$ 1,557,397**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value

Non-derivative financial instrument is regarded as being quoted in active market if quoted prices are readily as the fair value.

3) Transfer between Level 1 and Level 2

There were no transfers from Level 2 to Level 1 in 2023 and 2022.

4) Reconciliation of Level 3: None.

(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's inter-department management and committee, which consists of managers from all departments, is responsible for monitoring the Company's risk management policies and reports regularly to the Board of Directors on its activities.

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

The Company's Board of Directors and Audit Committee oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. The Company's Board of Directors and Audit Committee are assisted in its oversight role by the Internal Audit. The Internal Audit undertakes both regular and adhoc review of risk management controls and procedures, the results of which are reported to the Board of Directors and Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instruments fails to meet its contractual obligations and arises principally from the Company's notes and accounts receivable from the customers and bank deposits.

1) Accounts receivable and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In accordance with the Company's policy for providing loans to others, the Company must analyze an individual customer's credit rating before granting payment terms and credit lines. For a customer rated as high risk, future transactions with that customer shall require an advance payment. Credit limited is offered to each customer as the limit of transaction and is reviewed regularly.

With a broad customer base, the Company's transactions are not concentrated within one single customer, and its sales market are spread in different regions; therefore, there is no concentration of credit risk. Also, the Company mitigates its exposure by regularly evaluating its customers' financial position, taking into account the possibility of collectable accounts receivable and making provision for bad debts, which are within management's expectations.

2) Investments

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

3) Guarantees

According to the Company's policy, the Company can only provide financial guarantees to an entity, wherein the Company owns 50% of its shares and has business transactions within. As of December 31, 2023 and 2022, the Company has provided guarantees for subsidiaries wherein 100% equity interest was directly or indirectly owned by the Company.

(iv) Liquidity risk

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

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervised the banking facilities and ensures compliance with the terms of the loan agreements.

The loan was an important source of liquidity for the Company. As of December 31, 2023 and 2022, the Company had unused credit facilities for short-term and long-term loans as follows:

	December 31, 2023	December 31, 2022
Unused bank credit lines	$ 872,059	809,600

(v) Market risk

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

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company entities, primarily the NTD. The currencies used in these transactions are the NTD, EUR, USD, HKD, JPY and RMB. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied it these circumstances.

2) Interest rate risk

The Company has borrowed funds at fixed and variable interest rates, wherein the Company is exposed to risks associated with fair value change and cash flow. The Company manages its interest rate risk by maintaining a proper components of fixed interest rate and floating interest rate. Additionally, the Company's short-term loans bear interest at floating rates. The effective rate varies depending on the market interest rate, thereby fluctuating the Company's future cash flow.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is held for trading. The management of the Company minimizes the risk by holding different investment portfolios. The Company's exposure to equity price risk is mainly due to the equity financial instruments in Taiwan.

(y) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors, and the market and to sustain future development of the business.

The Company's debt-to-equity ratio at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 1,724,507	1,950,105
Less: cash and cash equivalents	(268,670)	(565,386)
Net liabilities	$ 1,455,837	1,384,719
Total equity	$ 3,075,340	3,065,345
Debt-to-equity ratio	47.34 %	45.17 %

As of December 31, 2023, there were no changes in the Company's approach to capital management.

(z) Financing activities not affecting current cash flow

(i) For right-of-use assets under leases, please refer to note 6(i).

(ii) Reconciliation of liabilities arising from financing activities (with non-cash changes) were as follows:

	January 1, 2023	Cash flows	Non-cash changes	December 31, 2023
Lease liabilities (current and non-current)	$ 6,838	(1,914)	218	5,142

	January 1, 2022	Cash flows	Non-cash changes	December 31, 2022
Lease liabilities (current and non-current)	$ 8,081	(1,942)	699	6,838

(7) Related-party transactions

(a) Names and relationship with the Company

Name of related party	Relationship with the Company
CONTEC (B.V.I.) Corporation (CONTEC)	Subsidiary
Cvilux USA Corporation (CUC)	Subsidiary
Cvilux Korea Corporation (CKC)	Subsidiary
Cvicloud Corporation (CTT)	Subsidiary
CviMall International Corporation (CMI)	Subsidiary
HICON (B.V.I.) Corporation (HICON)	Sub-subsidiary
Cvilux (B.V.I.) Corporation (CBC)	Sub-subsidiary
Cvilux Lao Co., Ltd. (CLC)	Sub-subsidiary
CviLux Technology (Suzhou) Co.,Ltd. (HBC)	Sub-subsidiary

Name of related party	Relationship with the Company
Dongguan Qunhan Electronics Co., Ltd. (DQH)	Sub-subsidiary
CviLux Electronics (Dongguan) Co., Ltd. (CED)	Sub-subsidiary
CviLux Technology (Chongqing) Corporation (CQC)	Sub-subsidiary
CviLux Technology (Shenzhen) Corporation (CTS)	Sub-subsidiary
CviCloud Ltd. (CTH)	Sub-subsidiary (Note)
CviCloud (SZ) Ltd. (CTA)	Sub-subsidiary
Anhui Cvilux Technology Co.,Ltd. (AHC)	Sub-subsidiary
Shanghai Han Duo Trading co., Ltd. (SHC)	Sub-subsidiary (Note 1)
Allsor Technology Corporation (Allsor)	The entity's chairman is the second immediate family member of the chairman of the Company
Tvsoga Co., Ltd.	The entity's chairman is the second immediate family member of the chairman of the Company
Yangtek Corporation	The entity's chairman is the second immediate family member of the chairman of the Company

Note 1: The liquidation of CTH had been approved by the Company's board in November 2022, wherein all relevant registration procedures had been completed in the 4th quarter of 2023.

Note 2: The liquidation of SHC had been approved by the Company's board in December 2021, wherein all relevant registration procedures had been completed in the 2nd quarter of 2023.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales and outstanding balance by the Company to related parties were as follows:

	2023	2022
Subsidiary	$ 50,499	61,543
Other related parties	6,267	7,304
	$ 56,766	**68,847**

Items	Type of related party	December 31, 2023	December 31, 2022
Accounts receivable	Subsidiary	$ 31,803	20,816
Accounts receivable	Other related parties	1,374	2,161
		$ 33,177	**22,977**

Except for the payables to, and receivables from, related parties, which had been offset against each other, the payment terms are the same as those of the arm's length transactions.

(ii) Purchases

The amounts of significant purchases and outstanding balances by the Company from related parties were as follows:

	2023	2022
Subsidiary-HBC	$ 436,750	554,467
Subsidiary-CED	511,372	729,429
Subsidiary-CQC	167,792	181,656
Subsidiary-DQH	141,510	214,862
Subsidiary-Others	52,037	36,971
	$ 1,309,461	**1,717,385**

Items	Type of related party	December 31, 2023	December 31, 2022
Accounts payable	Subsidiary-HBC	$ 126,785	188,265
Accounts payable	Subsidiary-CED	111,231	203,425
Accounts payable	Subsidiary-CQC	50,337	54,908
Accounts payable	Subsidiary-DQH	35,833	46,259
Accounts payable	Subsidiary-CBC	46,841	74,507
Accounts payable	Subsidiary-Others	13,695	17,541
		$ 384,722	**584,905**

Since the items purchased from related parties are not the same with those of other vendors, the purchase price could not be compared. The additional payment terms, which are not significantly different from those offered by other vendors, are offset against the receivables from related parties.

(iii) Leases

The Company's rent income from related parties (included in other income) and the outstanding balances were as follows:

	2023	2022
Rent income-Subsidiary-CTT	$ 36	36
Rent income-Subsidiary-CMI	36	36
Rent income-Other related parties-Allsor	36	36
	$ 108	**108**

Items	**Type of related party**	**December 31, 2023**	**December 31, 2022**
Other receivables-related parties	Other related parties	**$ 3**	**3**

(iv) Consultant income

The Company provided services to its subsidiaries, including human resources wherein the revenues are recognized as consultant income under other gains and losses. The transaction amount and outstanding balance were listed as follows:

	2023	2022
Subsidiary-HBC	$ 9,211	5,603
Subsidiary-CED	7,392	3,259
Subsidiary-DQH	3,346	2,090
Subsidiary-CQC	4,234	1,951
Subsidiary-CLC	2,125	1,235
Subsidiary-Others	-	754
	$ 26,308	**14,892**

Items	**Type of related party**	**December 31, 2023**	**December 31, 2022**
Other receivables-related parties	Subsidiaries	**$ 19,551**	**729**

(v) Other income

As of December 31, 2023 and 2022, the amounts of other revenue of the Company from related parties (included in other gains and losses) were as follows:

	2023	2022
Subsidiary-HBC	$ 13,101	-
Subsidiary-CED	690	190
Subsidiary-DQH	108	1,372
Subsidiary-CQC	47	12
	$ 13,946	**1,574**

(vi) Property transactions

1) Equipment is sold to related parties of the Company and outstanding balance were as follows:

	2023	2022
Subsidiary－CLC－Sale price	**$ 158**	**1,246**
Subsidiary－CLC－Gain (loss) on sales	**$ 5**	**34**

2) Equipment is purchased from related parties of the Company and outstanding balance were as follows:

	2023	2022
Subsidiary－HBC－Purchase price	$ -	1,123
Subsidiary－DQH－Purchase price	-	253
Subsidiary－CMI－Purchase price	-	189
	$ -	**1,565**

Items	Type of related party	December 31, 2023	December 31, 2022
Other payables-related parties	Subsidiary-DQH	-	232
Other payables-related parties	Subsidiary-CMI	-	189
		$ -	**421**

(vii) Loans to related parties

Loans to related parties and outstanding balance were listed as follows:

	December 31, 2023	December 31, 2022
Subsidiary-CLC	$ 122,820	46,065

Interest income from the Company's loans to related parties (included in interest income) and the outstanding balances were as follows:

Interest income:

	December 31, 2023	December 31, 2022
Subsidiary-CLC	$ 2,438	537
Subsidiary-CMI	140	-
	$ 2,578	537

Items	Type of related party	December 31, 2023	December 31, 2022
Other receivables-related parties	Subsidiary-CLC	$ 1,509	538

The interest rates of the Company's unsecured loans to related parties were between 2% and 4%, wherein the Company assessed not to recognize any impairment loss.

(viii) Guarantees and endorsements

As of December 31, 2023 and 2022, the endorsements provided by the Company to its subsidiaries amounted to $198,718 thousand and $262,436 thousand, where the actual amounts of $25,353 thousand and $68,388 thousand, respectively, had been used.

(ix) Advances to related parties and advances from related parties

Receivables and payables arising from payments made by the Company and related parties on behalf of each other for transactions were as follows:

Items	Type of related party	December 31, 2023	December 31, 2022
Other receivables-related parties	Subsidiaries	$ 608	598

Items	Type of related party	December 31, 2023	December 31, 2022
Other payables-related parties	Subsidiaries	$ 132	778

(x) Other receivables from related parties and other payables to related parties were listed as follows:

	Items	December 31, 2023	December 31, 2022
Other receivables:			
	Other receivables－rent	$ 3	3
	Other receivables－consultant income	19,551	729
	Other receivables－loans	122,820	46,065
	Other receivables－interest	1,509	538
	Other receivables－others	608	598
		$ 144,491	**47,933**
Other payables:			
	Other payables－equipment	-	421
	Other payables－others	132	778
		$ 132	**1,199**

(c) Key management personnel compensation

	2023	2022
Short-term employee benefits	$ 32,683	38,974
Post-employment benefits	2,079	2,079
	$ 34,762	**41,053**

(8) Pledged assets

The carrying values of assets pledged as security were as follows:

Pledged assets	Object	December 31, 2023	December 31, 2022
Land	Long-term borrowings	$ 66,819	66,819
Building and structure	〃	43,488	44,753
		$ 110,307	**111,572**

(9) Commitments and contingencies

The agreements purchases of the equipment and Intangible assets was as follows:

	December 31, 2023	December 31, 2022
Total contract price	$ 1,142	13,241
Unexecuted amount	$ 688	4,476

(10) Losses due to major disasters: None

(11) Subsequent events: None.

(12) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023 Operating costs	2023 Operating expenses	2023 Total	2022 Operating costs	2022 Operating expenses	2022 Total
Employee benefits						
Salary	10,831	166,866	177,697	15,747	174,377	190,124
Labor and health insurance	1,245	14,177	15,422	1,699	12,682	14,381
Pension	822	8,475	9,297	1,028	7,700	8,728
Remuneration of directors	-	9,909	9,909	-	12,444	12,444
Others	920	7,350	8,270	1,440	7,706	9,146
Depreciation	2,456	10,708	13,164	3,523	7,114	10,637
Amortization	12	11,196	11,208	77	9,821	9,898

As of December 31, 2023 and 2022, the additional information for employee numbers and employee benefits were as follows:

	2023	2022
Employees number	178	184
Directors number without serving concurrently as employees	4	3
Average employee benefit	$ 1,211	1,229
Average employee salary	$ 1,021	1,050
Average adjustment rate of employee salaries	(2.76)%	3.75 %
Supervisor's remuneration	$ -	-

Directors: Directors (including independent directors) are entitled to remuneration for the performance of their duties, irrespective of the Company’s profits or losses; directors’ remuneration shall be determined by the board of directors in accordance with the value of their participation in, and contribution to, the operation of the Company, with reference to the industry levels.

Managers and employees: Their remunerations, which comprise their basic salaries, meal allowances and fringe benefits based on their job positions, shall be determined according to their educational background, work experience, individual performance, the “ Regulations Governing Management of Salaries and Wages” , the“ Regulations Governing Distribution of Employee Remuneration” , as well as the performance of the Company.

(b) In October 2016, the owner of the Company was prosecuted by the New Taipei District Prosecutors Office for violating the Securities and Exchange Act, by selling LED CHIPS between the 2nd of 2014 and 2015. In November 2019, the owner of the Company was acquitted by the New Taipei District Prosecutors Office. However, in February 2020, the prosecutor filed an appeal regarding the above case to the Taiwan High Court, who sentenced the owner of the Company to a prison term of 1 year and 10 months, in which the owner of the Company disagreed with such decision; hence, filed an appeal to the Supreme Court. The Company engaged a lawyer to handle the case. On January 5, 2024, the Company received a notification from the Supreme Court, stating that the conviction against the Company's responsible party was partially revoked and remanded the case to the Taiwan High Court for retrial. The above case did not have any material impact on the financial and business operation of the Company.

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(13)Other disclosures

(a)Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2023:

i. Loan to other parties:

Unit:USD in thousand/NTD in thousand)

Number	Name of lender	Name of borrower	Account name	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
												Item	Value		
0	The Company	CMI	Other receivables - related parties	20,000 (NTD20,000)	-	-	2%	2	-	Operating Captial	-	None	-	307,534	615,068
0	The Company	Cvilux Lao	Other receivables - related parties	187,530 (USD6,000)	184,230 (USD6,000)	122,820 (USD4,000)	2%	2	-	Operating Captial	-	None	-	307,534	615,068
0	The Company	CviLux Korea	Other receivables - related parties	3,243 (USD100)	3,071 (USD100)	-	2%	2	-	Operating Captial	-	None	-	307,534	615,068

Note1：Purposes of fund financing for the borrower as follows:

(1)For entries the Company has business transactions with.

(2)For entries with short-term financing needs.

Note2：For entities with short-term financing needs, the total amount available for financing shall not exceed 20% of the Company's net worth. Any individual entity shall not exceed 10% of the Company's net worth.

Note3：The maximum balance and ending balance of the fund loans are converted into New Taiwan Dollars at the exchange rate at the end of each month, with the approval of the board.

ii. Guarantees and endorsements for other partie:

Number	Endorsement/ Guarantee Provider	Counter - party of guarantee and endorsement		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 3)	Ending Balance (Note 2)	Amount Actually Drawn	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum amount for guarantees and endorsements (Note 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship with the company (Note 1)										
0	The Company	CTT	Note 1	Net worth*30% 922,602	130,000	100,000	10,000	-	3.25 %	1,537,670	Y	N	N
0	The Company	CTA	Note 1	Net worth*30% 922,602	18,212	-	-	-	- %	1,537,670	Y	N	Y
0	The Company	CED	Note 1	Net worth*30% 922,602	33,282	17,308	-	-	0.56 %	1,537,670	Y	N	Y
0	The Company	Cvilux Lao	Note 1	Net worth*30% 922,602	64,850	61,410	15,353	-	2.00 %	1,537,670	Y	N	N
0	The Company	CMI	Note 1	Net worth*30% 922,602	20,000	20,000	-	-	0.65 %	1,537,670	Y	N	N

Note 1：A subsidiary fully owned by the guarantor.

Note 2：The ending balance of guarantees and endorsements are converted into NTD at the exchange rate at the end of each month, with the approval of the board.

Note 3：The amount available for financing purposes for any individual entity shall not exceed 30% of the Company's net worth; and for other entity, the amount available for financing purposes shall not exceed 30% of the Company's net worth, and the total amount shall not exceed 50% of the Company's net worth.

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

Unit:Shares/Units

Name of investee	Marketable Security Type and Name	Relationship with the company	Financial Statement Account	December 31,2023				Note
				Shares/Units	Book value	Percentage of Owership	Fair value	
CCT	CTL 6 1/2 Preferred stock	None	Financial assest at fair value through profit or loss-curreny	1,000	306	-	306	
〃	BT100145 AT&T Bonds	〃	〃	50,000	1,072	-	1,072	
〃	ETH6 Citigroup Corporate Bonds	〃	〃	80,000	2,369	-	2,369	
〃	ETP5 Pfizer Corporate Bonds	〃	〃	80,000	2,299	-	2,299	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	44,148.7	1,553	-	1,553	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	22,383.3	787	-	787	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	43,909.8	1,545		1,545	
〃	Allianz Global Investors Income and Growth Fund(RMB)	〃	〃	22,215.1	782	-	782	
〃	Goldman Sachs RMB Corporate Bonds GS 3.8 05/05/25	〃	〃	500,000	2,088		2,088	
〃	D1709-Citigroup Global Securities RMB Corporate Bond	〃	〃	950,000	4,033		4,033	
〃	00888 SinoPac Taiwan ESG Equity Fund	〃	〃	8,000	116	-	116	
HBC	China Life Lnsurance Company Limited Sotck	〃	〃	5,700	699	-	699	
〃	Northeast Securities CO., LTD Sotck	〃	〃	10,000	307	-	307	
〃	Goldmantis Sotck	〃	〃	5,000	82	-	82	
〃	Suntak Technology Co., LTD Convertible bonds	〃	〃	10	5	-	5	
CQC	Goldmantis Sotck	〃	〃	10,000	163	-	163	
〃	China Minsheng Banking Stock	〃	〃	20,000	323	-	323	
〃	E Fund CSI Bio-Tech Them ETF	〃	〃	320,100	738	-	738	
〃	Vats liquor chain store management joint management joint stock co.,Ltd Stock	〃	〃	7,000	554	-	554	
					19,821		19,821	

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
v. Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
vi. Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

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vii. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock

Name of company	Related party	Nature of relationship (Note1)	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
CED	The Company	1	Sale	511,372	71%	60 days	-	no comparators	111,231	63%	〃
The Company	CED	1	Purchase	511,372	36%	〃	-	no significant difference	(111,231)	26%	〃
HBC	The Company	1	Sale	436,750	56%	〃	-	no comparators	126,785	50%	〃
The Company	HBC	1	Purchase	436,750	31%	〃	-	no significant difference	(126,785)	30%	〃
DQH	The Company	1	Sale	141,510	44%	〃	-	no comparators	35,833	46%	〃
The Company	DQH	1	Purchase	141,510	10%	〃	-	no significant difference	(35,833)	9%	〃
CQC	The Company	1	Sale	167,792	39%	〃	-	no comparators	50,337	34%	〃
The Company	CQC	1	Purchase	167,792	12%	〃	-	no significant difference	(50,337)	12%	〃

Note 1: Relationship with the company is as follows:
1) Parent company to subsidiary 1
2) Subsidiary to subsidiary

CVILUX CORPORATION
Notes to the Parent Company Only Financial Statements

viii. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of capital

Name of company	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
Accounts receivable								
CED	The Company	Parent company	111,231	-	-		75,965	-
HBC	The Company	Parent company	126,785	-	-		70,933	-
Other receivables								
CLC	The Company	Parent company	124,352	-	-		31,280	-

ix. Trading in derivative instruments: None.

CVILUX CORPORATION
Notes to the Parent Company Only Financial Statements

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in mainland China):

Unit:USD in thousand/NTD in thousand

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Highest balance during the year			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value			
The Company	CONTEC	British Virgin Islands	Holding Company	481,884 (USD15,266)	481,884 (USD15,266)	15,265,948	100%	3,382,674	143,445	136,412	
The Company	Cvilux USA	United States	Sale of connectors, cable assemblies	30,669 (USD1,000)	30,669 (USD1,000)	100,000	100%	1,221	2,884	2,884	
The Company	Cvilux Korea	Korea	Sale of connectors, cable assemblies	8,820 (USD300)	8,820 (USD300)	35,000	100%	(3,842)	(2,736)	(2,736)	
The Company	CTT	Taiwan	Integration services for IoT, hardware and software system	187,000	187,000	11,514,800	100%	40,723	(1,210)	(1,210)	
The Company	CMI	Taiwan	Development and sale of e-commerce and cosmetics	56,245	56,245	2,999,900	100%	3,330	1,392	1,392	
CONTEC	HICON	British Virgin Islands	Holding Company	328,341 (USD10,370)	328,341 (USD10,370)	10,370,000	100%	1,986,916	106,450	106,450	
CONTEC	Cvilux (B.V.I.)	British Virgin Islands	Holding Company	342,813 (USD11,262)	342,813 (USD11,262)	11,102,371	100%	1,392,434	36,643	36,643	
Cvilux (B.V.I.)	CTH	Hong Kong	Holding Company	-	98,609 (USD3,232)	-	-	-	-	-	
HBC	Cvilux Lao	Lao	Manufacture and sale of connectors, cable assemblies	149,313 (USD5,000)	149,313 (USD5,000)	-	92.59%	(32,018)	(39,019)	(36,127)	

CVILUX CORPORATION
Notes to the Parent Company Only Financial Statements

(c) Information on investment in mainland China:

The following is the information on investees in mainland China for the year ended December 31, 2023:

Unit:NTD in thousand/USD,RMB,HKD in dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 5)		Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023		Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023		Net income (losses) of the investee	Investment income (losses) (Notes 3)	Book value (Note 3)	Accumulated remittance of earnings in current period	Note
							Outflow	Inflow							
Cvilux Dongguan Changping Electronic Plant	Manufacture and sale of connectors	-	-	Note 1	USD460,000	15,244	-	-	USD460,000	15,244	-	-	-	-	
HBC	Manufacture and sale of connectors, cable assemblies	USD 6,620,000	217,775	Note 2-1	USD6,620,000	217,775	-	-	USD6,620,000	217,775	76,133	76,133	1,594,301	214,994	
DQH	Manufacture and sale of connectors, cable assemblies	HKD 25,590,000	105,194	Note 2-1	USD77,400 CNY 1,458,724 HKD 23,058,801	104,231	-	-	USD77,400 CNY 1,458,724 HKD 23,058,801	104,231	(2,899)	(2,899)	195,726	13,706	
CED	Manufacture and sale of connectors, cable assemblies, electronic modules	USD 9,000,000	264,623	Note 2-1	USD3,123,530	92,747	-	-	USD3,123,530	92,747	81,450	81,450	840,952	-	
CQC	Manufacture and sale of connectors, cable assemblies	USD 8,750,000	272,335	Note 2-1	USD2,000,000	58,380	-	-	USD2,000,000	58,380	70,681	70,681	822,595	115,175	
CTS	Sale of connectors, cable assemblies	HKD 2,000,000	7,784	Note 2-1	-	-	-	-	-	-	10,330	10,330	273,132	-	
CTA	Integration services for IoT, hardware and software system	USD 1,890,000	55,014	Note 2-1	USD1,000,000	28,110	-	-	USD1,000,000	28,110	2,387	2,387	13,075	-	
AHC	Manufacture and sale of connectors, cable assemblies	CNY 10,000,000	46,170	Note 2-1	-	-	-	-	-	-	1,166	1,166	40,631	-	
HRT	Development and sales of e-commerce and cosmetics	-	-	Note 2-2	USD200,000	6,110	-	6,110	-	-	(2)	(2)	0	-	
Shenzhen Recon Health care Cloud Techco., Ltd.	Manufacture and sale of medical care products	CNY 7,730,000	33,332	Note 2-1	-	-	-	-	-	-	(11,214)	(2,901)	(2,710)	-	
Cvilux Sensor Technology (Dongguan) Co., Ltd.	Manufacture and sale of Sensors and electronic components	CNY 10,010,000	44,158	Note 2-1	-	-	-	-	-	-	(135)	(27)	8,628	-	

ii. Limitation on investment in mainland China:

Unit:NTD in thousand/USD,RMB,HKD in dollar

Accumulated Investment in Mainland China as of December 31, 2023 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 7)
516,487 (USD 13,280,930、CNY 1,458,724 and HKD 23,058,801)	728,981 (USD 19,978,600、CNY 1,458,724 and HKD 27,800,000)	1,845,204

Note 1: Since Cvilux Dongguan Changping Electronic Plant, a plant established by Cvilux (B.V.I.) in mainland China who engaged in processing materials provided by customers in accordance with the agreement, is not one of the Group's subsidiaries, it is not deemed as an "investment" as defined in Articles 4 and 6 of the “Regulations Governing the Approval of Investment or Technical Cooperation in mainland China” by the Investment Commission. Therefore, the above information only discloses the name of the plant and its principal business activities.

Note 2: 1.The Company indirectly invested in the company in mainland China through a third region：CONTEC(B.V.I.) Corp.、Cvilux(B.V.I.) Corp.、HICON(B.V.I.) Corp.
2.The Company indirectly invested in the company in mainland China through Taiwan region.

Note 3: The amount consist of invesment gain or loss and carrying values as of December 31, 2023, recognized by the Company which indirectly invested through a third region.

Note 4: The investment in mainland China was recorded at the exchange rates prevailing at the transaction date. The equity in the earnings (losses) was translated into NTD at the average rates prevailing at the transaction date.

Note 5: In addition to the accumulated investment in mainland China, the paid-in capital included the asset valuation and capital surplus transferred to common stock.

Note 6: In addition to the accumulated investment in mainland China, the investment amounts authorized by the Investment Commission, MOEA included the asset valuation and capital surplus transferred to common stock, with the exchange rate of USD：NTD = 1：30.705；HKD：NTD = 1：3.929；CNY：NTD = 1：4.327 on December 31, 2023.

Note 7: The investment amount should not exceed 60% of the net worth of the Company or the Group.

iii. Significant transactions

The significant inter-company transactions with the subsidiary in mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
Yangtek Corporation	6,761,000	8.56%

Note : The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of the total non physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculations basis.

(14)Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023.

CviLux Corporation

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 535
Demand deposits		63,762
Demand deposits-foreign	(USD5,756,286.07、HKD596,693.40、JPY1,496,611.00、EUR193,100.11、CNY4,038,862.02 and VND14,686,981.00)	203,472
Time deposits	(CNY7,000,000, Due date on 2024.02.18~2024.03.27, annual interest rate is 2.399%~2.5%)	30,289
		$ 298,058

The ending rates of foreign deposits are as follows:

USD：NTD＝1：30.705

HKD：NTD＝1：3.929

JPY：NTD＝1：0.217

EUR：NTD＝1：33.98

RMB：NTD＝1：4.327

VND：NTD＝1：0.001245

CviLux Corporation

Statement of notes receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Company A	$ 1,038
Company B	916
Company C	851
Company D	395
Others (each amount was less than 5%)	362
	$ 3,562

Statement of accounts receivable

Item	Amount
Company E	$ 78,845
Company F	75,512
Company G	51,079
Company H	44,976
Company I	34,754
Others (each amount was less than 5%)	264,853
	550,019
Less: loss allowance	(4,514)
	$ 545,505

CviLux Corporation

Statement of other receivables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other receivables	Interest receivable and advance refunds for business trip	**$ 378**

Statement of inventories

Item	Amount	
	Book value (Note)	Net realizable value
Finished goods	$ 2,881	4,236
Work in progress	1,281	1,281
Raw materials	-	218
Supplies	118	280
Merchandise	68,930	116,132
Total	**$ 73,210**	**122,147**

Note: The amounts includeds the allowance to reduce inventory to market and obsolescence.

CviLux Corporation

Statement of prepayments and other current assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Input Tax		$ 2,286
Prepaid expenses	Prepaid Vietnam office related fees and other prepaid expense	311
Prepayments to suppliers		253
		$ 2,850

Statement of other non-current assets

Item	Description	Amount
Tax refund receivables	Enterprise tax refund receivable	$ 4,177
Loss allowance-tax refund receivable		(4,177)
Guarantee deposits paid	Guarantee deposits of paid building rent	423
		$ 423

CviLux Corporation

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Investment income (loss)	Other	Exchange differences on translation of foreign financial statements	Ending balance			Collateral or pledge
	Amount	Shares	Amount	Shares	Amount	Shares				Shares	Percentage of ownership	Amount	
Investments accounted for using the equity method:													
CONTEC (B.V.I.) Corp.	$ 3,295,437	15,266	-	-	-	-	136,412	7,125	(56,300)	15,266	100.00 %	3,382,674	None
CviCloud Corp.	42,140	11,515	-	-	-	-	(1,210)	-	(207)	11,515	100.00 %	40,723	None
CviMall International Corp.	1,845	3,000	-	-	-	-	1,392	-	93	3,000	100.00 %	3,330	None
Cvluex USA Corp.	(1,385)	-	-	-	-	-	2,884	-	(278)	-	100.00 %	1,221	None
	3,338,037		-		-		139,478	7,125	(56,692)			3,427,948	
Credit balance of investments accounted for using the equity method:													
CVILUX KOREA CO., LTD.	(1,121)	-	-	-	-	-	(2,736)	-	15	-	100.00 %	(3,842)	None
	(1,121)		-		-		(2,736)	-	15			(3,842)	
Total	**$ 3,336,916**		**-**		**-**		**136,742**	**7,125**	**(56,677)**			**3,424,106**	

CviLux Corporation

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Lender	Item	Ending balance	Range of annual interest rate	Due date	Financing credit lines	Collateral or pledge
Mega Bank	Credit loan	$ 50,000	1.800 %	2024.03.05	50,000	None
Citi Bank	〃	30,000	1.800 %	2024.03.22	159,600	〃
Hua Nan Bank	〃	20,000	1.790 %	2024.01.02	80,000	〃
The Export-Import Bank of the Republic of China	〃	50,000	1.8222 %	2024.09.20	100,000	〃
		$ 150,000				

Statement of accounts payable

Item	Amount
Company J	$ 10,847
Company K	5,408
Company L	1,793
Company M	1,524
Others (each amount was less than 5%)	13,653
	$ 33,225

CviLux Corporation

Statement of other payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Saliaries, bonuses and pensions payable	$ 42,904
Payable on employees' remuneration	23,211
Payable on ditectors' remuneration	6,995
Other payables	38,855
Total	**$ 111,965**

Statement of other current liabilities

Item	Description	Amount
Contract liabilities-Current	Advance receipt	$ 3,071
Receipts under custody	Receipts under custody of mold	14,632
Other advance receipt	Parking rental	7
		$ 17,710

CviLux Corporation

Statement of long-term borrowings and long-term borrowings current portion

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Lender	Amount: Current amount expired within one year	Amount: Non current amount expired after one year	Period	Range of annual interest rate	Collateral or pledge (Book value)	
Hua Nan Bank	$ 8,551	23,763	2012/8/27~2027/8/27	2.245%	Building and structure	34,073 thousand
					Land	50,277 thousand
Esun Bank	-	57,541	2022/10/31~2025/10/31	1.73%	Building and structure	9,415 thousand
					Land	16,542 thousand
Total	$ 8,551	81,304				

Statement of bonds payable

Item	Issued date	Issued amount	Ending balance	Unamortized discounted	Book value	Note
The fourth unsecured domestic convertible bonds	2021.10	$ 500,000	499,900	4,817	495,083	

CviLux Corporation

Statement of operating revenue

For the year ended December 31, 2023

Item	Quantity	Amount
Connector	833,861,336 PCS	$ 1,446,942
Cable assemblies	92,187,044 PCS	455,118
IoT	12,549 PCS	11,348
Electronic components	202 PCS	6,523
New retailing e-commerce	8,718 PCS	4,320
		$ 1,924,251

CviLux Corporation

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Beginning balance of raw materials	$ 219
Add: purchases	2,171
Less: ending balance of raw materials	(218)
Others	(4)
Raw materials used	2,168
Supplies	
Beginning balance of supplies	403
Add: purchases	1,085
Gains on inventory count	6
Less: ending balance of supplies	(280)
Others	(61)
Disposal of supplies	(66)
Supplies used	1,087
Direct labor	3,885
Manufacturing overhead	13,585
Processing expenses	3,847
Manufacturing cost	24,572
Add: beginning balance of work in process	1,143
Transferred from merchandise and finished goods	82,377
Less: ending balance of work in process	(1,281)
Transferred to merchandise	(42,524)
Unallocated production overheads	(1,061)
Cost of work in process	63,226
Add: beginning balance of finished goods	8,766
Purchase	4,978
Gains on inventory count	11
Less: ending balance of finished goods	(4,236)
Transferred to work in process	(19,180)
Disposal of finished goods	(179)
Others	(8)
Cost of sales of finished goods	53,378
Beginning balance of merchandise	149,695
Add: purchase	1,417,064
Transferred from work in process	42,524
Gains on inventory counts	16
Less: ending balance of merchandise	(116,132)
Transferred to work in process	(63,197)
Disposal of merchandise	(2,897)
Others	(355)
Cost of sales of merchandise	1,426,718
Loss of inventory disposal	3,142
(Reversal of) loss on valuation of inventories and obsolescence	(710)
Gains on inventory counts	(33)
Unallocated production overheads	1,061
Scrap income	(579)
Others	8
Total operating cost	**$ 1,482,985**

CviLux Corporation

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development expenses
Salary and wages expense	$ 48,354	109,298	19,123
Export expenses	41,556	-	-
Insurance expenses	4,977	8,181	1,877
Commissions expenses	6,748	-	-
Professional service fees	27	9,591	632
Design and inspection fees	3,664	4,068	6,529
Depreciation	521	7,015	3,172
Amortization	-	9,572	1,624
Others (each amount was less than 5%)	21,726	24,227	4,297
	$ 127,573	**171,952**	**37,254**

Other

Item	Description
Statement of financial assets at fair value through profit or loss-current	Disclosed in note 6(b)
Statement of accounts receivable－related parties	Disclosed in note 7
Statement of other receivables－related parties	Disclosed in note 7
Statement of financial assets at fair value through profit or loss－non current	Disclosed in note 6(n)
Statement of changes of property, plant and equipment	Disclosed in note 6(h)
Statement of changes of property, plant and equipment's accumulated depreciation	Disclosed in note 6(h)
Statement of changes of right-of-use assets	Disclosed in note 6(i)
Statement of changes of right-of-use assets's accumulated depreciation	Disclosed in note 6(i)
Statement of prepayments for business facilities	Disclosed in note 6(j)
Statement of changes of intangible assets	Disclosed in note 6(k)
Statement of changes of intangible assets's accumulated amortization	Disclosed in note 6(k)
Statement of deferred tax assets	Disclosed in note 6(q)
Statement of accounts payable－related parties	Disclosed in note 7
Statement of other payables－related parties	Disclosed in note 7
Statement of lease liabilities	Disclosed in note 6(o)
Statement of deferred tax liabilities	Disclosed in note 6(q)
Statement of other income	Disclosed in note 6(v)
Statement of other gains and losses	Disclosed in note 6(v)
Statement of finance costs	Disclosed in note 6(v)

瀚荃股份有限公司
CviLux Corporation

Chairman: Steve Yang