Stock Code: 3011

Ji-Haw Industrial, Co., Ltd.

2023 Annual Report

Market Observation Post System: http://mops.twse.com.tw

Website of annual report disclosure: https://www.jh.com.tw

Notice to readers:

This document is an English translation of a report originally written in Chinese.If there is any difference between the two versions, the Chinese one shall prevail.

Printed on June 6, 2024

I. Spokesperson, Acting Spokesperson Name, Position, Contact Phone Number, and Email Address:

Spokesperson: Jess Lin
Email: Investor@jh.com.tw Title of Spokesperson: General Manager

Acting Spokesperson Name: Chen Bo-Rong
Email: Investor@jh.com.tw

Acting Spokesperson Position: Finance and Corporate Governance Director

Tel: (02) 2918-9189 (Representative No.)

II. Addresses and telephone numbers of headquarters, branches, plants:

Head Office Address: No.53, Baoxing Rd., Xindian Dist., New Taipei City 231, Taiwan(R.O.C.)

Tel: (02) 2918-9189 (Representative No.)

Branch Office: None

Factory:Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)

Factory Address: No.110 Jiang Feng Road, Kunshan Economic Technology Development Zone, Zhangpu Complex Area, Jiangsu Province, P.R.C.

Tel: (86)512-57452388

Factory: J.B.T INDUSTRIAL CO., LTD.(J.B.T)

Factory Address: 227/1,M003,Laem Chabang Industrial Estate, Sukhumvit Road,Thungsukla, Sriracha, Chonburi 20230 Thailand

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III. Name, address, website and telephone number of stock transfer agency

Name: Fubon Securities Co., Ltd., Shareholder Services Department

Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 10041

Website: https://www.gfortune.com.tw//

Tel: (02) 2371-1658 (Representative No.)

IV. Name of CPA certifying the latest annual financial statement and name, address, website and telephone number of the accounting firm:

Names of CPAs: Huang Yao Lin, Chou Shih Chieh

CPA firm: Deloitte Taiwan

Address: 20F, No. 100, Songren Rd, Xinyi Dist, Taipei City, 11073

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

Tel: (02) 2725-9988 (Representative No.)

V. Name of any exchange where the Company's securities are traded overseas, and the method by which to access information on the overseas securities:
None

VI. Company website: http://www.jh.com.tw

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One. Shareholder Report

Ladies and Gentlemen, shareholders:

Looking back at the recent international economic situation in 2023, there were many changes. Although the manufacturing industries in the U.S. and Europe are still shrinking, there are some signs of improvement. The manufacturing industry in Japan has declined due to the reduction of global demand, and in China, the industrial and commercial activities have recovered due to the sluggish real estate market. In terms of the domestic manufacturing industry, benefiting from the application of emerging technologies and the gradual destocking of the supply chain, the demand for pulling goods has increased. The relatively low base period has boosted the annual growth rate of exports. In addition, the export orders and production performance of some traditional industries have also been better than the previous period. Therefore, the survey on the economic climate of the manufacturing industry in the next six months shows signs of improvement. Taiwan's electronic parts and components industry experienced a significant recession in 2023. Although the overall global economy is still uncertain in 2024, the PC and mobile phone markets have shown a trend of recovery. In particular, the upcoming update of the Windows operating system for PCs and the continuous growth of the AI PC market are expected to become the driving force behind the growth of the output value of electronic components in 2024. In addition, the artificial intelligence Chat GPT developed by OPEN AI in 2023 is regarded as the "singularity" of the reform of work type. AI has gradually replaced 80% of human resources. Under this wave of AI, the application opportunities and market of AI will grow exponentially in the next decade.

Taiwan's industry is facing multiple challenges. The competition from low-priced, high-quality products has affected the main products, which has greatly reduced the profit margins. In order to get rid of the shackles of the manufacturing industry in the past, we need to move to a business model that combines technology integration and services to create additional value. In the face of rapid changes in the external market and industrial environment, we must keep up with the trend and constantly improve our technology and management standards. In order to maintain steady growth and achieve business goals, we need to strengthen reforms in the market, customers, products, process technology, and management.

IDC predicts that by 2027, global technology spending on AI solutions will exceed US$500 billion, and AI (AI Everywhere) will become a key turning point in the development of the technology industry. In the future, enterprises will pay more attention to AI technology investment and AI-driven development of products and services. Embracing the "ubiquitous AI" way of thinking is no longer an option but an inevitable one. In the future, Ji-Haw Industrial, Co., Ltd.'s product lines will also integrate AI technology, focusing on three main themes: automotive AI, generative AI, semiconductor automation, and industrial quality inspection. The strategy aims to integrate Taiwan's AI ecosystem and achieve the application of AI across various industries, providing customers with comprehensive technical services tailored to their needs.

In the next few years, following the global trend is inevitable. Transmission line assemblies will develop in the direction of maturity, uniformity, ultra-high frequency, aesthetics and user-friendliness. At the same time, the industry will undergo further consolidation and explosive growth is inevitable. We will continue to promote technological solutions to bring more possibilities to technology and consumer life. Ji-Haw will actively collaborate with partners from various industry backgrounds to deepen the products and services in relevant fields, fulfilling corporate social responsibility and contributing to the improvement of living and lifestyle quality.

Although the external environment is still challenging, the competitive pressure also reminds us of the inadequacy of our operations. Ji-Haw is confident that with its professional technology, agile response, and continuous enhancement of management capabilities, it can sustain the value created in the past and achieve higher investment returns.

I. 2023 Business results

(I) Business Plan and Budget Execution

1. Operating Income: The operating income for the year 2023 was NTD 1,150,689,000, which is a decrease of NTD 346,789,000 from the operating income of NTD 1,497,478,000 in 2022.

2. Net Loss After Tax: The net loss after tax for the year 2023 was NTD 131,396,000, an increase of NTD 117,910,000 from the net loss after tax of NTD 13,486,000 in 2022.

The budget execution for the year 2023 met expectations.

As of December 31, 2023, the cumulative loss amounted to NTD 626,001,000, exceeding half of the paid-in capital.

(II) Analysis of financial income, expenses and profitability

Unit: NT$ thousand

Item	2023	2022
Net cash inflow (outflow) from operating activities	(20,394)	112,079
Net cash inflow (outflow) from investing activities	(288,323)	79,838
Net cash inflow (outflow) from financing activities	197,450	(180,309)
Return on assets	(8.11)	(0.92)
Return on equity	(13.84)	(1.33)
Net yield	(11.42)	(0.9)
Earnings per share (NT$)	(1.17)	(0.12)

(III) Research and development status

Major R&D results for the year and up to the publication date of the annual report:

1. Improvement and enhancement of modular production of Type C, HDMI 2.1 and USB 4.1 transmission line assemblies
2. Production and modular production of special wire assemblies for electric vehicles
3. Development of the transmission line assembly for the ultra-soft elastic wire assembly completed
4. Continuous development of autonomous vehicle sensing line assemblies
5. Electronic small products - used in various interface adaptors and automotive panels
6. Improvement of ultra-high frequency and high conductance wire, adding functions and reducing costs to increase profits
7. Unmanned Warehouse Monitoring System
8. Automatic driving system and assistance system for low-speed traffic electric vehicles
9. Bicycle sensor device
10. Truck Defender human detection system

II. Summary of 2024 Business Plan

(I) Business Policy

1. Operations: Strengthen management information systems and improve business management information integration efficiency; reinforce talent recruitment and training; enhance global operations management; and refine cost and expense control.

In terms of AI, the focus is mainly on providing one-stop services from design, manufacturing/production to sales.

"AI software support ➠ modular production ➠ shipment of complete machine ➠ AI solutions for all field operations." Expand the layout of AI business projects; and use Heph AI as the platform to develop the three major business directions of automotive AI, generative AI, semiconductor automation and industrial quality inspection.

2. Products: PC/NB/tablet PC/monitors/servers and connection cables for peripheral equipment; connection cables for online gaming consoles; connection cables for LCD TVs and LCD screens; connection cables for communications/office equipment/network systems; active components for optical communication products; automotive connection cable sets; automotive circuit assembly generation and automotive cable sets; production and sales of eco-friendly equipment and components; and eco-friendly material introduction. In terms of AI, by leveraging resources from CHINTEK and other strategic partners, we are deploying AI applications across various scenarios including smart security, healthcare, retail, factories, automotive, and generative AI, establishing a group business model to enhance synergy.

3. Sales: Customer relationship management; new market customer development in sectors such as energy, healthcare, biotech, automotive, industrial, home appliances, office equipment, and cloud center applications. AI encompasses product sales and system services, targeting clients across various industries, enterprises, and organizations, such as manufacturing, automotive applications, healthcare, and retail. The group will integrate various resources to layout a comprehensive integration of software and hardware, providing customers with a one-stop AI solution from initial design to end application.

4. R&D: Continuously developing trend-based and niche products; combining external R&D resources for rapid product development for different applications; introduce automated equipment development processes; establishing early product development quality management procedures (APQC).

5. Production: Strengthen production capacity and supply chain in different regions, use industrial engineering methods to improve production efficiency and rationality; enhance the production and sales mechanism to balance capacity utilization; continue to promote automated production and testing processes for high-precision products; enhance the application capabilities of information tools for remote real-time monitoring to immediately improve efficiency and yield; manage the supply chain of outsourced and subcontracted processes.

(II) Expected sales volume and basis

The Company’s main business is the manufacturing and sales of connecting cables for computers, peripheral products and communications products. The launch of electronic products was based on the Company’s past experience with customers and the actual operation and order-taking status of 2022Q1, while taking into account the increasingly optimistic global economic situation and recovery of computer products. The estimated sales value of major products in 2024 is as follows:

Unit: Thousand pcs

	Actual Figures for 2023	Forecast for 2024
Connection cables	65,926	75,231
Others	0	0
Total	65,926	75,231

(III) Key Production and Sales Policies

1. Marketing strategy

(1) Actively participate in domestic and foreign commercial exhibitions and seminars to enhance product visibility and enhance cooperation opportunities with peers.

(2) Develop channel sales capabilities for niche markets.

(3) Actively cultivate customers in diverse industry product areas to balance the sales differences between peak and off-peak seasons.

(4) Focus on profit management to make efficient use of existing production capacity and avoid inventory backlogs.

2. Production policy

(1) Enhance the management capabilities of external resources: Screen and counsel appropriate suppliers, effectively control the timeliness and quality yield of the supply chain and reduce material turnover in transit.

(2) Strengthen production capacity forecasting and control capability: Improve the accuracy of production capacity forecasting and balance internal and external production capacity.

(3) Enhancing Material Management Capability: Utilize management information systems to improve material timeliness, reduce material inventory backlog, monitor inventory levels, and handle issues in real-time.

(4) Improvement of Process Equipment Precision and Automation: Continuously improve production equipment and fixtures to enhance production quality and efficiency.

III. Future Company Development Strategy

With many years of experience in the connector cable industry, Ji-Haw has a strong R&D foundation and production management capability. The development strategy for the future will be further extended following this foundation:

1. Enhance the product and service quality with the Company’s 30 years of R&D foundation, through approved suppliers recognized by internationally renowned brands and the laboratory in China with national certification.
2. Making good use of product research and development capabilities and its production base, Ji-Haw is integrating cross-industry cooperation opportunities, from components to components/systems, from computer peripherals to cloud center products/medical biotechnology/network communications/industrial control/medical care/energy/ autonomous driving train systems, and other growing markets.

3. We cultivate strategic customers by actively engaging in cooperative development, cooperative design, and custom-order production tailored to their needs, establishing relationships with other major international manufacturers, and responding promptly to customer demands for time to market and time to volume, thus expanding business opportunities.
4. Using Heph A.I. as the platform, we develop three main business pillars: automotive AI, generative AI, and semiconductor automation and industrial quality inspection, providing customers with a one-stop AI solution that spans from initial design to end-use applications.

Ji-Haw Industrial, Co., Ltd.

Chairman: Hao-Ji Shi

Manager: Jess Lin

Accounting officer: Chen Po Rong

Two. Company Introduction

I. Date of establishment

Date of establishment: January 11, 1983

II. Organization and operations

Year	Major Events
1983	Ji-Haw Industrial Company was established in Section 3, Muxin Road, Taipei, with a capital of NT$2,100,000.
1985	Reorganized and changed its name to Ji-Haw Industrial, Co., Ltd.
1986	∗ To expand the factory, the capital was increased to NTD 15,000,000. ∗ In the same year, moved into a newly purchased factory in Xindian.
1989	Capital increased by NT$15,000,000 in cash, increasing the Company's paid-in capital to NT$30,000,000.
1990	Capital increased by NT$30,000,000 in cash, bringing the Company's paid-in capital to NT$60,000,000.
1995	∗ Invested in Ji-Haw Electronics (Shanghai) Co., Ltd. ∗ Invested in Ji-Haw USA.
1997	∗ The cash capital increase was NTD 116,950,000, bringing the company's paid-in capital to NTD 176,950,000. ∗ Reinvested in J.B.T and J.H.T in Thailand.
1998	∗ Cash capital increase of NTD 22,050,000, bringing the company's paid-in capital to NTD 199,000,000. ∗ In October, conducted a public offering of shares. ∗ Conducted a capital increase from retained earnings of NTD 14,925,000, capital reserve to capital increase of NTD 19,900,000, and cash capital increase of NTD 31,250,000, bringing the total capital to NTD 258,825,000.
1999	∗ Carried out a capital increase from retained earnings of NTD 103,530,000 and employee bonuses of NTD 5,626,630, increasing the capital to NTD 367,981,630. ∗ Invested in Ji-Haw Electronics (Kunshan) Co., Ltd. ∗ Invested in the research and development of Flexible Flat Cable (FFC) products.
2000	*To increase capital, NT$110,394,490 was transferred from earnings and NT$9,071,100 was transferred from employee bonus, increasing capital to NT$487,447,220.
2001	∗ Processed a capital increase from retained earnings of NTD 73,117,080, employee bonuses of NDD 10,322,410, and capital reserve to capital increase of NTD 48,744,720, increasing the capital to NTD 619,631,430. ∗ Increased investment in Ji-Haw Electronics (Kunshan) Co., Ltd. by USD 900,000. ∗ Invested in Ji-Haw Precision Ceramics (Kunshan) Co., Ltd. by USD 3,000,000.
2002	∗ Conducted a capital increase from retained earnings of NTD 41,515,300, employee bonuses of NTD 5,860,980, and capital reserve of NTD 20,447,830, bringing the total capital to NTD 687,455,540. ∗ Approved by the Ministry of Finance Securities and Futures Commission for the transition from OTC to listed on the stock market (July 22, 2002). ∗ Established a global operations headquarters. ∗ Issued convertible corporate bonds for NTD 359,000,000.
2003	∗ Processed a capital increase from retained earnings of NTD 60,077,970 and employee bonuses of NTD 12,114,060, increasing the capital to NTD 818,441,840. ∗ In the same year, the company moved into the new global operations headquarters building. ∗ Ji-Haw Precision Ceramics (Kunshan) Co., Ltd. was renamed to Ji-Haw Optoelectronics (Kunshan) Co., Ltd.
2004	∗ Implemented a treasury stock program. ∗ Conducted a capital increase from retained earnings of NTD 57,173,880 and employee bonuses of NTD 16,143,210. ∗ Canceled treasury stocks worth NTD 43,240,000.

Year	Major Events
	＊ Invested an additional USD 2.9 million in Ji-Haw Optoelectronics (Kunshan) Co., Ltd. ＊ Applied for the conversion of convertible bonds into 17,194,409 ordinary shares. ＊ All convertible bonds fully converted into ordinary shares.
2005	＊ Conducted a capital increase from retained earnings of NTD 3,061,380, employee bonuses of NTD 3,313,500, and capital reserve of NTD 58,166,390, increasing the capital to NTD 1,085,004,290. ＊ Invested an additional USD 4.6 million in Ji-Haw Optoelectronics (Kunshan) Co., Ltd.
2006	＊ Processed a capital increase from retained earnings of NTD 54,250,210 and employee bonuses of NTD 15,317,700, canceled treasury stocks worth NTD 18,000,000, bringing the capital to NTD 1,136,572,200. ＊ In November, dissolved and liquidated the investment in Ji-Haw Electronics (Shanghai) Co., Ltd.
2007	＊ Processed a capital increase from retained earnings of NTD 45,462,880 and employee bonuses of NTD 9,627,430, bringing the capital to NTD 1,191,662,510. ＊ Invested USD 1 million in Ji-Haw Optoelectronics (Anhui) Co., Ltd.
2008	Treasury stock of NT$32,540,000 was canceled, with capital totaling NT$1,159,122,510.
2009	＊ Canceled treasury stocks worth NTD 31,930,000, bringing the new capital amount to NTD 1,127,192,510. ＊ Invested USD 1 million in Ji-Haw Optoelectronics (Anhui) Co., Ltd.
2010	＊ Reduced investment and established a subsidiary, Ji-Haw Optoelectronics (Anhui) Co., Ltd., in Mainland China. ＊ Full re-election of directors and supervisors. ＊ Established the Green Energy 99 shopping network, creating distribution channels and building the value of its own brands.
2011	＊ Invested USD 1 million in Ji-Haw Optoelectronics (Anhui) Co., Ltd. ＊ JHA has temporarily suspended operations.
2012	Completed the implementation of the adoption of IFRSs and prepared IFRSs financial statements.
2013	＊ Invested in a capital increase for S Square System Limited, with a cash investment of NTD 3 million, integrating 3D printing in cross-industry collaboration. ＊ Full re-election of directors and supervisors.
2014	＊ JHB has temporarily suspended operations. ＊ Established JUST HEALTH BIOTECH CO., LTD., a subsidiary engaged in the retail and wholesale of medical devices and pharmaceuticals. ＊ Invested in a capital increase for Wonliwon Technology Co., Ltd., with a cash investment of NTD 5 million, engaging in cross-industry collaboration. ＊ Invested in a capital increase for SOYO LINK ENERGY CO., LTD., with a cash investment of NTD 6 million, engaging in cross-industry collaboration.
2015	Reduced investment in establishment of subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd.
2016	＊ Made an overseas subsidiary investment in Ji-Haw Investment Co., Ltd.(J.H.I.). ＊ Full re-election of directors and supervisors.
2017	＊ The Thai subsidiary JBT made a cash investment of USD 3 million in Ji-Haw Optoelectronics (Kunshan) Co., Ltd. (JHP). ＊ A cash capital increase of USD 100,000 in Ji-Haw Investment Co., Ltd.(J.H.I.).
2018	＊ Dissolved and liquidated the subsidiary JUST HEALTH BIOTECH CO., LTD. ＊ Invested an additional USD 2.9 million in Ji-Haw Optoelectronics (Kunshan) Co., Ltd. ＊ Reduced investment in establishment of subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd.
2019	＊ Full re-election of directors and supervisors. ＊ Completed the liquidation of the subsidiary Ji-Haw America, Inc. (JH AMERICA, INC.).
2020	＊ The Mainland China subsidiary announced a delayed resumption of work after the Spring Festival (due to the impact of the Wuhan pneumonia). ＊ Changes in the company’s supervisory board.
2021	＊ The overseas subsidiary Ji-Haw Electronics (Kunshan) Co., Ltd. announced the disposal

Year	Major Events
	of real estate. ＊ Disposed of the subsidiary Ji-Haw Optoelectronics (Anhui) Co., Ltd. (J.H.E.), including the sale of equity and disposal benefits.
2022	＊ Full re-election of the board of directors. ＊ Establishment of an audit committee.
2023	＊ Full re-election of the board of directors. ＊ The board of directors elected the new director, Shih Hao-Ji, as chairman. ＊ Ji-Haw Electronics (Kunshan) Co., Ltd. was renamed Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. ＊ Acquired 100% of the shares of the subsidiary CHINTEK INC.. ＊ Established a subsidiary in Vietnam, JI-HAW TECHNOLOGY VN CO., LTD (J.H.V). ＊ Acquired 25.04% of the equity in the associated company, CERMAX Co., Ltd.

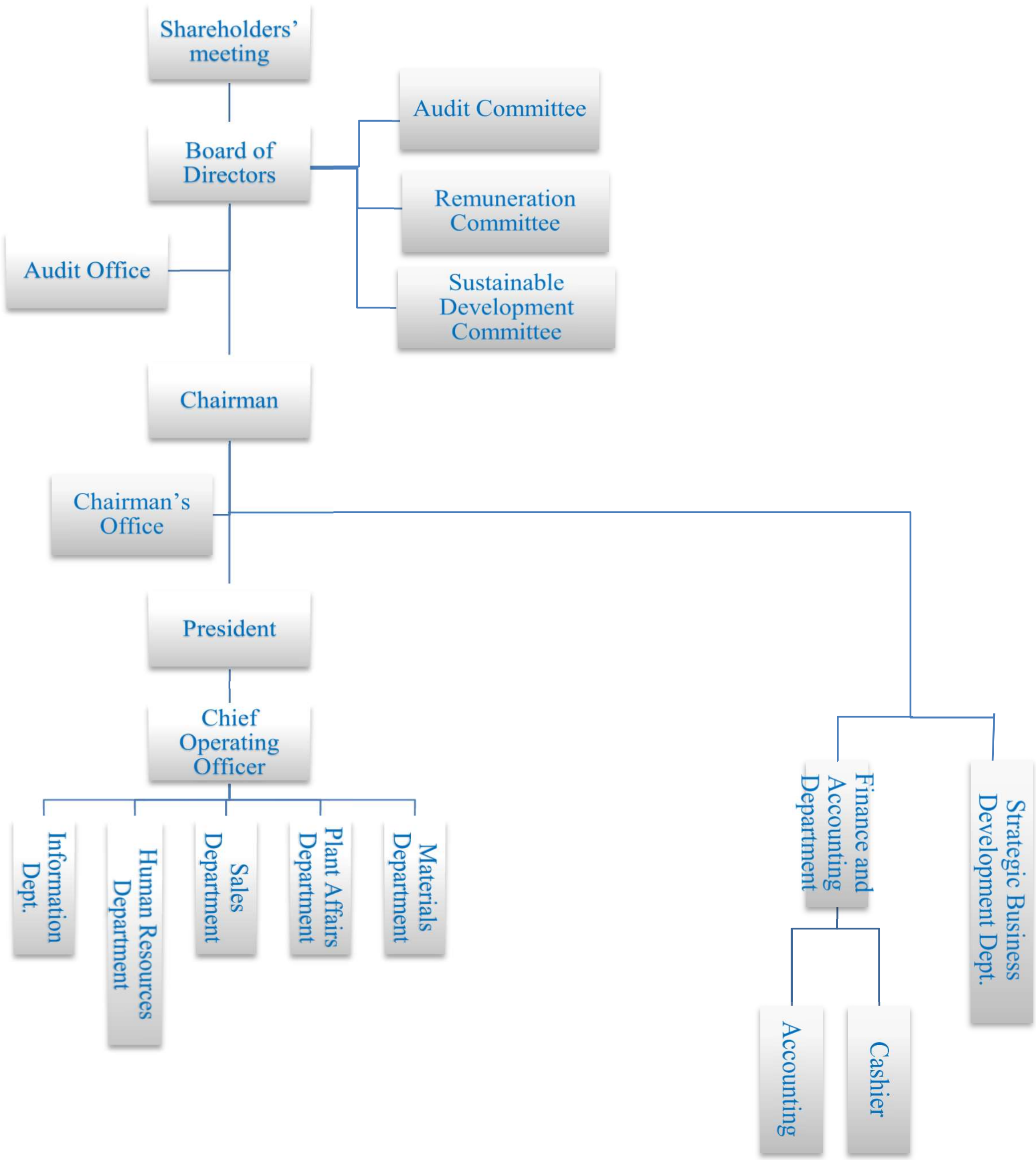
Three. Corporate Governance Report

I. Organizational system

(I) Organizational Structure:

Ji-Haw Industrial, Co., Ltd.

Organizational Chart



(II) Major departments' activities:

Audit Office:	Planning of the Company's internal audit operations. Compile written information on the internal control system and help in its implementation and revision. Implementation of internal audits and regularly audit reports.
Chief Operating Officer:	Responsible for managing and supervising the Factory Affairs Department, IT Department, Human Resources Department, Business Department, Materials Department, and overseas factories in China and Thailand; assisting the President in department management and company goals.
Factory Affairs Department:	1. Quality control of materials and finished products. Quality control system establishment and maintenance. 2. General and general affairs.
Sales Department:	Business marketing, market research. Form marketing strategies. Implement sales plans. Customer consultation services.
Strategic Business Development Dept.	Responsible for the discovery, development and execution of new products and new customers.
Information Department:	To ensure that the information processing of the whole company is completed quickly. Company computer software and network maintenance. Program writing and maintenance.
Finance Department:	Responsible for the planning and execution of the Company's accounting and budgeting operations. Planning and executing tax operations. Promoting and implementing financial policies. Fund raising and adjustment.
Materials Department:	Control of raw material quotation, price comparison, procurement and delivery. Develop new suppliers.
Human Resources Department:	Human resource management. Employee wage and bonus planning. Employee education and training planning. Employee attendance management.

II. Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments a

(I) Profile of Directors:

Title	Nationality or Place of Registration	Name	Gender and Age	Date of Election (Appointment)	Term of office	Date of initial election	Shareholding when elected		Current Shareholding		Current Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience a
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	
Chairman	R.O.C.	Hao-Ji Shi (Note 1)	Male 41~50	2023.06.29	3 years	2023.06.29	0	0	0	0	0	0	0	0	Education: Master of Finance, Taiwan University Master of Civil En National Taiwan U Experience: Vice Chairman of Group Co., LTD. Assistant Manager Markets Departme Securities Director, Taiwan A Investment Associ
Director	R.O.C.	He Chao-Yang (Note 1)	Male 71~80	2023.06.29	3 Years	2023.06.29	0	0	60,000	0.05	0	0	0	0	Education: Bachelor of Chemi Engineering, Natio Kung University Experience: General Manager o Corporation Vice Chairman and Manager of Chi M
Director	R.O.C.	Zeng Bai Hu (Note 1)	Male 61~70	2023.06.29	3 Years	2023.06.29	0	0	0	0	0	0	0	0	Education: Master's in Electro Chiao Tung Unive Experience: Senior Assistant M Quanta Computer Person in Charge a TRENDTECH TR LTD.
Director	Singapore	Guo Chen (Note 1)	Male 41~50	2023.06.29	3 Years	2023.06.29	0	0	0	0	0	0	0	0	Education: Bachelor of Electro Engineering, Wuha Experience: SENSETIME INTERNATIONA LTD Technical Dir Nokia Solutions A NetworksHoldings

Title	Nationality or Place of Registration	Name	Gender and Age	Date of Election (Appointment)	Term of office	Date of initial election	Shareholding when elected		Current Shareholding		Current Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic	Position(s) Held Concurrently in the Company/in Any Other Company	Other Supervisors, Directors or Supervisors Who Are Spouses, or Relatives Within the Second Degree of Kinship			Remarks
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
															Pte. Ltd Project Manager					
Independent director	R.O.C.	Wang En Guo (Note 1)	Male 51~60	2023.06.29	3 Years	2023.06.29	2,000	0	0	0	0	0	0	0	Education: Master's in Regional Economics, Jinan University, Guangzhou Experience: Vice Chairman of KORYO ELECTRONICS CO., LTD	Vice Chairman of TECO IMAGE SYSTEMS CO., LTD. Chairman of Nanchang Creative Sensor Technology Co.,Ltd. Director of Creative Sensor Co.,Ltd. Director of ProMOS Technologies Inc. Independent Director of ENERGY MOANA TECHNOLOGY CO., LTD. Chairman of Fuguo Network Broadcasting Co., Ltd. Director of Tianda Consulting Co., Ltd. Director of Xinben Investment Co., Ltd.	None	None	None	None
Independent director	R.O.C.	Gong Xin Jie (Note 1)	Male 41~50	2023.06.29	3 Years	2023.06.29	0	0	0	0	0	0	0	0	Education: Master of Laws, University of Minnesota Law School, USA Department of Law, Legal Studies Division, National Chengchi University Experience: Partnership Lawyer, Chien Yeh Law Offices	Principal Attorney-at-Law, Global Network Commerce Legal Independent Director, FALCON MACHINE TOOLS CO., LTD Director of Global Network Commerce Ltd	None	None	None	None
Independent director	R.O.C.	Lu Guanwen (Note 2)	Female 51~59	2023.06.29	3 Years	2023.06.29	0	0	0	0	0	0	0	0	Education: EMBA, National Taiwan University Master of Commerce Experience: Solomon Asset Management Co., Ltd./Chairman KPMG/Senior Consultant Women's Rights Foundation/Supervisor KPMG/Partner	Huan Chung Law Office/Chief Attorney-at-Law Well-Being Business Co., Ltd./Independent Director Lung Hup International Management Co., Ltd./Director	None	None	None	None

Note 1: Chairman Shi Hao Ji, Director He Chao Yang, Director Zeng Bai Hu, Director Guo Chen, Independent Director Wang En Guo, and Independent Director Gong Xin Jie took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023.

Note 2: Independent Director Lu Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

Note 3: If the chairman of the board of directors and the general manager or a person with a similar position (top manager) are the same person, spouses or first-degree relatives of each other, the reasons, rationality, necessity and countermeasures should be explained: None.

(II) Disclosure of professional qualifications of directors and independence of independent directors:

April 30, 2024

Criteria / Name	Title	Professional qualifications and experience (Note)	Situation of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Hao-Ji Shi (Note 1)	Chairman	Graduated with a Master's in Finance and a Master's in Civil Engineering from National Taiwan University. Previously served as Vice Chairman of Polylead Construction, Director of the Taiwan Angel Investment Association, and Deputy Manager of the Capital Markets Department at KGI Securities. Currently holds the positions of Chairman at Nian Mei Investment Co., Ltd., Supervisor at Chi Qu Asset Investment Co., Ltd., Chairman of Ji-Haw Optoelectronics (Kunshan) Co., Ltd., Director at Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd., and Chairman of CHINTEK INC.. Possesses professional leadership, operational management, and investment expertise.	Not applicable	0
He Chao-Yang (Note 1)	Director	Graduated with a Bachelor's in Chemical Engineering from National Cheng Kung University, previously served as Vice Chairman and General Manager at Chimei Electronics, and currently holds the positions of Chairman at Cheng Mei Material Technology Co., Ltd., Director at Visual Technology Corporation, Executive Director at Ningbo Cheng Mei Material Technology Co., Ltd., Chairman of Cheng Hui Investment Co., Ltd., Chairman of Cheng Hui Trading Co., Ltd., and Executive Director of Cheng Mei Material Technology (Samoa) Co., Ltd. Possesses extensive professional leadership and operational management experience.		0

Criteria / Name	Title	Professional qualifications and experience (Note)	Situation of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Zeng Bai Hu (Note 1)	Director	Graduated from the Institute of Electronics, National Chiao Tung University with a master's degree, he used to work as the responsible person of TRENDTECH TRADING CO., LTD. and a senior associate of Quanta Electronics. Currently, he is a director of Intelligent Information Security Technology Inc., with extensive experience in operation management.		0
Guo Chen (Note 1)	Director	Graduated from Wuhan University with a bachelor's degree in electrical engineering. He used to work as CTO of Sensetime International Pte. Ltd. and Project Manager of Nokia Solutions and Networks Holdings Singapore Pte. Ltd. Senior executive with extensive product experience.		0
Wang En Guo (Note 1)	Independent director	Graduated with a Master's in Regional Economics from Jinan University in Guangzhou, previously served as Vice Chairman at KORYO ELECTRONICS CO., LTD, and currently holds the positions of Vice Chairman at TECO IMAGE SYSTEMS CO., LTD., Chairman of Nanchang Creative Sensor Technology Co.,Ltd., Director at Creative Sensor Co.,Ltd., Director at ProMOS Technologies Inc., Independent Director at ENERGY MOANA TECHNOLOGY CO., LTD., Chairman of Fu Guo Network Live Broadcasting Co., Ltd., Head of Tianda Consulting Co., Ltd., and Head of Xinben Investment Co., Ltd. Possesses extensive operational management experience.	All independent directors have met the following criteria and the signed statement of independence has been obtained: 1. Complies with the provisions of Article 14-2 of the Securities and Exchange Act and the "Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies" as stipulated by the Financial Supervisory Commission. 2. The individual, their spouse, and relatives within the second degree have not held positions as a director, supervisor, or employee in this company or any related enterprises. 3. In the past two years, the individual has not	1
Gong Xin Jie (Note 1)	Independent Director	Graduated with a Master of Laws from the University of Minnesota Law School and a degree in Law		1

Criteria / Name	Title	Professional qualifications and experience (Note)	Situation of Independence	Number of other public companies in which the individual is concurrently serving as an independent director
		from the Department of Law at National ChengchiJi University. Previously worked as a partner at Chien Yeh Law Offices, currently serves as the principal attorney at Global Network Commerce Legal, Independent Director at FALCON MACHINE TOOLS CO., LTD, and Director at Global Network Commerce Ltd, possessing extensive legal experience.	provided business, legal, financial, or accounting services to this company or its related enterprises.	
Lü Guanwen (Note 2)	Independent Director	Graduated with a Master of National Taiwan University EMBA business group. Served Solomon Asset Management Co., Ltd./ Chairman,KPMG/Senior Consultant Women's Rights, Foundation/Supervisor ,KPMG/Partner.Has extensive experience in operations management.		0

Note 1: Chairman Shi Hao Ji, Director He Chao Yang, Director Zeng Bai Hu, Director Guo Chen, Independent Director Wang En Guo, and Independent Director Gong Xin Jie took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023.

Note 2: Independent Director Lü Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

(III) Board Diversity and Independence:

(1) Board Diversity:

The Company's policy is based on the policy of diversity and to strengthen corporate governance, while promoting the development of Board composition and sound structure. The nomination of the director candidates is carried out in accordance with the Articles of Incorporation under the candidate nomination system. The academic and experience qualifications, professional backgrounds, integrity or relevant professional qualifications of each candidate are evaluated. After the candidates are approved by the Board of Directors, they are submitted to the shareholders' meeting for election. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following:

1. Basic conditions and values: gender, age, nationality, and culture.
2. Professional Knowledge and Skills: Operational judgment, accounting and financial analysis, management capabilities, crisis management, industry

knowledge, international market perspective, leadership, and decision-making abilities.

The current board of directors of our company is composed of seven directors (including three independent directors). One independent director resigned on December 29, 2023, and will be replaced in an upcoming shareholders' meeting. The specific management objectives and the status of achieving the board's diversity policy are as follows:

Management objectives	Achievement
It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members	Achieved
The independent directors have not served more than 3 terms	Achieved

3. Directors' professional knowledge and independence:

April 30, 2024

Criteria / Name	Title	Country	An employee	Terms of service of the independent director			Professional knowledge and skills						Professional backgrounds				Remarks
				Under 3 years	3-9 years	More than 9 Years	Ability to make operational judgments	Ability to conduct management administration	Ability to lead	Ability to conduct crisis management	Product knowledge	An international market perspective	Technology industry	Financial investment	Financial accounting	Technical research	Number of other public companies in which the individual is concurrently serving as an independent director
Shi Hao Ji (Note 1)	Chairman		✓				✓	✓	✓	✓	✓	✓		✓	✓		None
He Chao-Yang (Note 1)	Director	ROC					✓	✓	✓	✓	✓	✓	✓				None
Zeng Bai Hu (Note 1)	Director						✓		✓	✓	✓	✓	✓				None
Guo Chen (Note 1)	Director	SG					✓	✓	✓	✓	✓	✓	✓			✓	None
Wang En Guo (Note 1)				✓			✓	✓	✓	✓	✓	✓	✓	✓			1
Gong Xin Jie (Note 1)	Independent director	ROC		✓			✓	✓	✓	✓	✓	✓	✓				1
Lu Guanwen (Note 2)				✓			✓	✓	✓	✓	✓	✓	✓			✓	None

Note 1: Chairman Shi Hao Ji, Director He Chao Yang, Director Zeng Bai Hu, Director Guo Chen, Independent Director Wang En Guo, and Independent Director Gong Xin Jie took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023.

Note 2: Independent Director Lu Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

(IV) General manager, vice presidents, assistant vice presidents, and supervisors of various departments and branches:

April 30, 2024

Title	Country	Name	Gender	Date of Election (Appointment)	Shareholding		Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic	Position(s) Held Concurrently in the Company/in Any Other Company	Company Officers Who Are Spouses or Relatives Within the Second Degree of Kinship			Remarks **(Note 3)**
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	Wu Chia-Shin (Note 4)	Male	2006.09.01	515	0	52,708	0.05	0	0	Education: Graduated from Feng Chia University Experience: Machine Engineer of AEON Corporation Machine Engineer of Pan-International Industrial Corporation	None	None	None	None	None
President	R.O.C.	Jess Lin (Note 2)	Male	2023.07.19	0	0	0	0	0	0	Education: MBA, Hawaii Pacific University Experience: Director of Business Department, Ji-Haw	Director, Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. Director of Ji-Haw Opto-Electrical (Kunshan) Co., Ltd.	None	None	None	None
Vice President	R.O.C.	Chen Wen Wei (Note 2)	Male	2023.07.19	9,000	0.01	0	0	0	0	Education: Department of Accounting, Soochow University Experience: Assistant Vice President of Finance, FALCON MACHINE TOOLS CO., LTD Manager of Audit Department, KPMG Taiwan	Director, Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. Director of CHINTEK INC.	None	None	None	None
Vice President	R.O.C.	Simon Wu	Male	2010.03.01	0	0	8,000	0.01	0	0	Education: Department of Electrical Engineering, Chung Hua Institute of Technology Experience: Plant Manager, Comax Technology Inc. Vice President, Golden Bridge Electech Inc. General Manager of HL Technology Group Limited	None	None	None	None	None
Vice President	R.O.C.	Tsai Chao Chuan (Note 2)	Male	2023.07.19	0	0	0	0	0	0	Education: MBA, Soochow University Experience: Vice President of Initiators Asia Capital Special Assistant to the Chairman, Better Life Group Co., LTD. Director of Far Eastern Airways Co., Ltd.	None	None	None	None	None
Chief Strategy Officer of AI Business	R.O.C.	Wu Yu Shui (Note 3)	Male	2024.01.30	0	0	0	0	0	0	Education: Master's in Information Systems Applications, Tsinghua University Experience: IBM Consultant General Manager for Taiwan Region, SenseTime Group Limited	None	None	None	None	None
Chief Procurement Officer	R.O.C.	Chen Ming Cheng (Note 3)	Male	2024.01.30	0	0	0	0	0	0	Education: Master's in Management, National Taiwan University of Science and Technology Experience: Senior Manager, Strategic Procurement Department, Pegatron Corporation Senior Manager, Supply Chain Management Department, Inspur Intelligent Technology, Suzhou	None	None	None	None	None
Accounting Officer and Corporate Governance Officer	R.O.C.	Chen Po Rong (Note 1)	Male	2023.06.12	0	0	0	0	0	0	Education: Master's in Accounting and Finance, Donghua University Experience: Group Leader, Audit Department, Deloitte Touche Tohmatsu Limited Finance Director, Jean Cultural & Creative Co., Ltd.	Supervisor, CHINTEK INC.	None	None	None	None

Note 1: Chen Po Rong, Finance Director and Corporate Governance Director, newly appointed on June 12, 2023.

Note 2: Jess Lin, General Manager, Chen Wen Wei, Deputy General Manager of Finance, and Cai Zhao Quan, Deputy General Manager, newly appointed on July 19, 2023.

Note 3: AI Business Chief Strategist Wu Yu-Shui and Chen Ming-Cheng Chief Procurement were newly appointed on 2023.01.30.

Note 4: President Wu Chia-Shin retired on 2024.3.13

Note 5: If the chairman of the board of directors and the general manager or a person with a similar position (top manager) are the same person, spouses or first-degree relatives of each other, the reasons, rationality, necessity and countermeasures should be explained: None.

III. Remuneration paid to directors, supervisors, president, and vice presidents in the most recent year:

(I) Remuneration to general directors and independent directors:

Unit: NT$ thousand

Title	Name	Remuneration to directors								The sum of A, B, C and D as a percentage of net loss after tax		Remuneration received as company part-time employee								The sum of A, B, C, D, E, F and G as a percentage of net loss after tax		Remuneration received from investees other than subsidiaries or parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Expenses for services rendered (D)				Salaries, bonuses and allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairman	Lin Wen-Hwang (Note 3)	0	0	0	0	0	0	0	0	0	0	115	115	49	49	834	0	834	0	998 0.76%	998 0.76%	None
Chairman	Hao-Ji Shi (Note 4)	304	304	0	0	0	0	35	35	0.26	0.26	0	0	70	70	1,201	0-	1,201	0 -	1,610 1.23%	1,610 1.23%	None
Director	Lin Da-Sen (Note 1)	0	0	0	0	0	0	0	0	0.00	0.00	178	178	17	17	295	0	295	0	490 0.37%	490 0.37%	None
Director	Wu Chia-Shin (Note 2)	0	0	0	0	0	0	0	0	0.00	0.00	178	178	17	17	295	-	295	-	480 0.37%	480 0.37%	None
Director	Chen Po-Shou (Note 1)	0	0	0	0	0	0	0	0	0.00	0.00	117	117	20	20	343	0	343	0	0 0.00%	0 0.00%	None
Director	He Chao-Yang (Note 4)	304	304	0	0	0	0	35	35	0.26	0.26	0	0	0	0	0	0	0	0	339 0.26%	339 0.26%	None
Director	Zeng Bai Hu (Note 4)	304	304	0	0	0	0	35	35	0.26	0.26	0	0	0	0	0	0	0	0	339 0.26%	339 0.26%	None
Director	Guo Chen (Note 4)	304	304	0	0	0	0	35	35	0.26	0.26	0	0	0	0	0	0	0	0	334 0.25%	334 0.25%	None
Independent director	Yeh Chi-Nan (Note 3)	75	75	0	0	0	0	0	0	0.06	0.06	0	0	0	0	0	0	0	0	75 0.06%	75 0.06%	None
Independent director	E Hsin-Chuan (Note 3)	75	75	0	0	0	0	0	0	0.06	0.06	0	0	0	0	0	0	0	0	75 0.06%	75 0.06%	None
Independent director	WEI CHI WANG (Note 3)	75	75	0	0	0	0	0	0	0.06	0.06	0	0	0	0	0	0	0	0	75 0.06%	75 0.06%	None
Independent director	Wang En Guo (Note 4)	358	358	0	0	0	0	40	40	0.30	0.30	0	0	0	0	0	0	0	0	398 0.30%	398 0.30%	None
Independent director	Lu Guan Wen (Note 5)	304	304	0	0	0	0	40	40	0.26	0.26	0	0	0	0	0	0	0	0	344 0.26%	344 0.26%	None
Independent director	Gong Xin Jie (Note 4)	304	304	0	0	0	0	45	45	0.27	0.27	0	0	0	0	0	0	0	0	349 0.27%	349 0.27%	None

1. Please describe the remuneration policies, systems, standards, and structures for independent directors, and their linkage to the amount of remuneration based on factors such as responsibilities, risks, and time invested:
   The Company's remuneration payment policy for directors is stipulated in the Articles of Incorporation. Remuneration to the president and vice president is handled according to the Company's Labor and Wage Cycle Rules According to Articles of Incorporation, the Company shall set aside 1% to 5% of the annual profit, if any, as remuneration to directors. However, earning shall first be used to make up for accumulated losses. The performance evaluation and remuneration to directors, and company officers shall be based on the usual standards of the industry, while taking into account the reasonableness of the linkage to the individuals performance, performance evaluation results and the Company's operating performance and future risks.
2. Other than the disclosure in the above table, remunerations to the directors for providing services (such as serving as a consultant to the non-employees of the parent company/all companies listed in the financial statements/reinvested enterprises, etc.) in the most recent year: None.

Note 1: Directors Lin Da Sen and CHEN, PO-SHOU resigned on 2022.04.07.

Note 2: Director WU CHIA-SHIN resigned on April 11, 2023.

Note 3: ChairmanLIN WEN HWANG, Independent Director YEH,CHI-NAN, Independent Director E, HSIN-CHUAN and Independent Director WEI CHI WANG were discharged after the full re-election at the general shareholders' meeting on June 29, 2023.

Note 4: Chairman Shi Hao Ji, Director He Chao Yang, Director Zeng Bai Hu, Director Guo Chen, Independent Director Wang En Guo, and Independent Director Gong Xin Jie took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023.

Note 5: Independent Director Lu Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

(II) Remuneration to President and Vice Presidents:

Unit: NT$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Remuneration to employees (D)				The total of items A, B, C, and D as a percentage of the net loss after tax		Remuneration received from investees other than subsidiaries or parent company
								The Company		All companies included in the financial report				
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All companies included in the financial report	
President	Wu Chia-Shin	1,369	1,369	81	81	154	154	0	0	0	0	1,604 1.22%	1,604 1.22%	None
General Manager	Jess Lin	1,007	1,007	59	59	231	231	0	0	0	0	1,297 0.99%	1,297 0.99%	None
Vice President	Chen Wen Wei	885	885	52	52	13	13	0	0	0	0	950 0.72%	950 0.72%	None
Vice President	Simon Wu	1,992	1,992	116	116	313	313	0	0	0	0	2,421 1.84%	2,421 1.84%	None

(III) Remuneration brackets table

Compensation ranges for the General Managers and Deputy General Managers of the company	Names of the General Managers and Deputy General Managers	
	The Company	All companies included in the financial statements (E)
Less than NTD 1,000,000	Chen Wen Wei	Chen Wen Wei
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Wu Chia-Shin, Jess Lin	Wu Chia-Shin, Jess Lin
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Simon Wu	Simon Wu
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	-	-
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	-	-
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	-	-
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	-	-
Over NTD 100,000,000	-	-
Total	4	4

(IV) Compensation of the top five highest-paid executives in listed and over-the-counter companies (individual disclosure of names and compensation methods) (Note 1):

Unit: NT$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Remuneration to employees (D)				The total of items A, B, C, and D as a percentage of the net loss after tax		Remuneration received from investees other than subsidiaries or parent company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Vice President	Simon Wu	1,992	1,992	116	116	313	313	0	0	0	0	2,421 1.84%	2,421 1.84%	None
President	Wu Chia-Shin	1,369	1,369	81	81	154	154	0	0	0	0	1,604 1.22%	1,604 1.22%	None
General Manager	Jess Lin	1,007	1,007	59	59	231	231	0	0	0	0	1,297 0.99%	1,297 0.99%	None
Vice President	Chen Wen Wei	885	885	52	52	13	13	0	0	0	0	950 0.72%	950 0.72%	None
Vice President	Tsai Chao Chuan	639	639	38	38	14	14	0	0	0	0	691 0.53%	691 0.53%	None

(V) Names of managers assigned with employee remuneration and distribution:

March 13, 2024

	Title	Name	Amount in stock	Amount in cash	Total	Total and its proportion to net loss after tax (%)
Company officers	Chairman	Hao-Ji Shi	0	0	0	0
	President	Wu Chia-Shin				
	General Manager	Jess Lin				
	Vice President	Chen Wen Wei				
	Vice President	Simon Wu				
	Vice President	Tsai Chao Chuan				
	Chief Strategy Officer of AI Business	Wu Yu Shui				
	Chief Procurement Officer	Chen Ming Cheng				
	Accounting Officer and Corporate Governance Officer	Chen Po Rong				

Note: The company does not plan to distribute employee bonuses for year 2024 due to covering losses.

(VI) Provide a comparative explanation and analysis of the total compensation paid in the last two years to the directors, supervisors, general managers, and deputy general managers of the company and all companies in the consolidated financial statements as a proportion of the net profit after tax in the individual or separate financial reports. Describe the compensation payment policies, standards, and composition, the procedures for setting compensation, and its correlation with operational performance and future risks:

Unit: NT$ thousand

Year / Identity	2022		2023	
	Total remuneration	Total amount as a percentage of net income after tax	Total remuneration	Total amount as a % of net loss after tax
Director	6,103	45.26%	2,663	2.03%
Supervisor	75	0.56%	0	0.00%
President and vice president	5,619	41.66%	6,540	4.98%

The Company’s remuneration payment policy for directors and supervisors is stipulated in the Articles of Incorporation. Remuneration to the president and vice president is handled according to the Company’s Labor and Wage Cycle Rules

IV. State of operation of corporate governance

(I) Information on the operation of the Board of Directors:

In the most recent year (2023), the Board of Directors has held 13 meetings “ A “, and the attendance of directors is as follows:

Title	Name	Actual attendance rate “B”	Attendance by proxy	Attendance rate in person (%) “B/A”	Remarks
The 11th Board of Directors held 6 meetings in the most recent year (2023).					
Chairman	Lin Wen-Hwang	6	0	100	Discharged from full re-election of directors on June 29, 2023; should attend 6 times in 2023
Director	Lin Da-Sen	2	0	100	Resigned on 2023.04.07, expected to attend 2 times in 2023
Director	Chen Po-Shou	2	0	100	
Director	Wu Chia-Shin	2	0	100	Resigned on April 11, 2023; was expected to attend 2 times in the year 2023.
Independent director	Yeh Chi-Nan	6	0	100	Discharged from full re-election of directors on June 29, 2023; should attend 6 times in 2023
Independent director	E Hsin-Chuan	6	0	100	
Independent director	Wang Wei-Chi	6	0	100	
The Board of Directors of the 12th term held 7 meetings in the most recent year (2023)					
Chairman	Hao-Ji Shi	7	0	100	The entire Board of Directors was newly elected on June 29, 2023, and was expected to attend 7 times in the year 2023
Director	He Chao-Yang	7	0	100	
Director	Zeng Bai Hu	7	0	100	
Director	Guo Chen	6	1	85.71	
Independent director	Wang En Guo	6	1	85.71	
Independent director	Lu Guan Wen	7	0	100	
Independent director	Gong Xin Jie (Note 1)	7	0	100	Newly elected on 2023.06.29, resigned on 2023.12.29 7 attendances expected in 2023

Note 1:Independent Director Lu Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

Other information required:

I. In cases where the operation of the Board of Directors involves any of the following situations, the date of the Board meeting, the term, the agenda, the opinions of all independent directors, and the company’s handling of these opinions should be described:
  (I) Under Article 14-3 of the Securities Transaction Law: No such situations have occurred.
  (II) Apart from the above, other Board resolutions opposed or reserved by independent directors and recorded or stated in written statements: None.

II. In the case of directors abstaining from voting on related party transactions due to conflicts of interest, the name of the director, the content of the agenda, the reasons for abstention due to conflict of interest, and the participation in voting should be detailed.

Date of Meeting	Directors to be recused	Proposal Content	Reason for recusal	Participation in voting
2023.08.10	Hao-Ji Shi He Chao-Yang Zeng Bai Hu Guo Chen Lu Guan Wen Gong Xin Jie	Determination of the remuneration of the Company’s current directors (including independent directors)	The recused directors are eligible for payment	Divided into 2 groups to avoid conflict of interest according to law, and recused during discussion and voting.
		Transportation Expenses for Directors and Functional	The recused directors are eligible for	Divided into 2 groups to avoid conflict of interest

		Committee Members to Attend Shareholders Meeting, Board Meeting, Audit Committee or Remuneration Committee	payment	according to law, and recused during discussion and voting.
	Hao-Ji Shi	Remuneration to the new managers (including the Chairman's remuneration)	The recused directors are eligible for payment	sidestepped from the discussion or voting.

III. TWSE/GTSM listed companies shall disclose the evaluation cycle and duration, evaluation scope, method and evaluation content of the self-evaluation (or peer evaluation) of the board of directors:
Implementation of the evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed at least once a year	January 1, 2023, to December 31, 2023.	Board of Directors	Internal self-evaluation of the Board of Directors "Self-Evaluation Questionnaire for Board Performance Evaluation"	A. Participation in the Company's operations B. Improvement of the quality of the Board's decision-making C. Composition and structure of the Board of Directors D. Election and continuing education of directors E. Self-evaluation of the overall performance of the Board of Directors
		Individual Board members	Board member's self-evaluation "Self-Evaluation Questionnaire for Director Performance Evaluation"	A. Alignment of the Company's goals and missions B. Awareness of the duties of a director C. Participation in the Company's operations D. Internal relationship management and communication E. Directors' professionalism and continuing education F. Internal control
		Functional committees (Audit Committee and Compensation Committee)	Self-evaluation of functional committees "Self-Evaluation Questionnaire for Performance of Functional Committees"	A. Participation in the Company's operations B. Awareness of the duties of the functional committee C. Improvement of the decision-making quality of functional committees D. Composition of the functional committee and election of its members E. Internal control

Outcome of Assessment :

(I) The evaluation results are presented in a 5-level scale as follows: Number 1: Very Poor (Strongly Disagree); Number 2: Poor (Disagree); Number 3: Average (Neutral); Number 4: Good (Agree); Number 5: Excellent (Strongly Agree).

(II) The overall average self-assessment score of the Board of Directors is 4.63 out of 5, and the average self-assessment score for individual members' performance is 4.7 out of 5, indicating positive evaluations and demonstrating effective board operations. The performance self-assessment average score for functional committees is 4.54 out of 5. Both the Compensation Committee and the Audit Committee are deemed to operate effectively, fully exercising their functions. (Note: The maximum score for all ratings is 5 points).

IV. Assessment of goals and implementation for enhancing the functions of the Board of Directors in the current and recent fiscal years (such as establishing an Audit Committee, improving information transparency, etc.):

(I) The company's Audit Committee and Compensation Committee are comprised entirely of independent directors, serving to fulfill their supervisory duties and achieve the goals of enhancing the board's functions.

(II) Board members actively participate in the operations of the board, with an attendance rate of 97.8% for all directors in 2023.

(III) To establish a robust corporate governance system, the company's Board of Directors passed the "Corporate Governance Best Practice Principles" on August 1, 2018.

(IV) To assist directors in performing their duties and enhance board effectiveness, the Board of Directors approved the "Standard Operating Procedures for Handling Directors' Requests" on June 24, 2019.
(V) To improve information transparency and protect shareholder rights, the company regularly updates relevant information on corporate governance and significant board resolutions on our website.
(VI) To ensure that directors and managers are protected from risks associated with their duties, the company purchases "Directors and Officers (D&O) Liability Insurance" for directors and managers annually.
(VII) The company has established the "Performance Evaluation Procedures for Directors and Managers." After the annual performance evaluation, the results are reported to the Compensation Committee and the Board of Directors. The performance evaluation results of the Board and its committees for 2023 were reported to the Compensation and Board Committees in January 2024 and are used as references for director compensation and nomination for reappointment.
(VIII) The directors of the company undertake non-scheduled professional development each year to enhance their knowledge. In 2023, all the board members collectively completed a total of 57 hours of professional development.

(II) Operation of the Audit Committee:

1. Operation of the Audit Committee:

In the most recent fiscal year (2023), the Audit Committee held 11 meetings 【A】, and the attendance of independent directors was as follows:

Title	Name	Actual number of attendances 【B】	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
The first Audit Committee in the most recent fiscal year (2023) held 5 meetings.					
Independent director	Yeh Chi-Nan	5	0	100	On June 29, 2023, the entire Board of Directors was replaced, and was expected to attend 5 times in the year 2023.
Independent director	E Hsin-Chuan	5	0	100	
Independent director	Wang Wei-Chi	5	0	100	
The second Audit Committee in the most recent fiscal year (2023) held 6 meetings.					
Independent director	Wang En Guo	6	0	100	On June 29, 2023, the entire Board of Directors was newly elected, and was expected to attend 6 times in the year 2023.
Independent director	Gong Xin Jie	6	0	100	
Independent director	Lu Guan Wen	6	0	100	Newly elected on 2023.06.29, resigned on 2023.12.29 The number of meetings expected to attend in 2023 was 6 times.

Other information required:
I. The company established the Audit Committee on June 20, 2022, and in accordance with Article 6 of the company's "Audit Committee Charter," the duties of the committee are as follows:
(I) To establish or amend the internal control system as required by Article 14-1 of the Securities and Exchange Act.
(II) To assess the effectiveness of the internal control system.
(III) According to Article 36-1 of the Securities Exchange Act, establish or amend procedures for handling significant financial activities such as acquiring or disposing of assets, engaging in derivative product transactions, lending funds to others, endorsing or providing guarantees for others.
(IV) Matters involving a director's own interests.
(V) Significant transactions of assets or derivative products.
(VI) Significant financial activities such as lending funds, endorsements, or providing guarantees.
(VII) Raising, issuing, or privately placing securities with equity characteristics.
(VIII) Appointment, dismissal, or remuneration of certified public accountants.
(IX) Appointment or dismissal of the financial, accounting, or internal audit directors.
(X) Annual financial reports signed or stamped by the chairman, managers, and accounting directors, and the second quarter financial report that must be audited and certified by an accountant.
(XI) Other significant matters stipulated by the company or regulatory authorities.
In accordance with Article 3 of the company's "Audit Committee Charter," the operation of the committee

primarily aims to supervise the following:

(I) The fair presentation of the company's financial statements.
(II) The selection (or dismissal) of certified public accountants and their independence and performance.
(III) The effective implementation of the company's internal controls.
(IV) The company's compliance with relevant laws and regulations.
(V) The management of existing or potential risks within the company.

II. In cases where the operation of the Audit Committee involves any of the following situations, the date of the Audit Committee meeting, the term, the agenda, the opposition or reservation of independent directors, significant proposal contents, the resolution results of the Audit

Committee, and the company's response to the Audit Committee's opinions should be detailed.

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

Date	Term	Proposal Content	Opposition, reservation of opinions, or significant proposal content by independent directors	Audit Committee resolution results	Company's handling of the Audit Committee's opinions
2023.03.17	First Term Fourth Meeting	1. Annual Business Report and Financial Statements for 2022. 2. The company's appointment of the certifying accountant for 2023, and the assessment of their independence and service fees. 3. The policy for the pre-approval of non-assurance services provided by the company's accounting firm, and the non-assurance services provided by the accounting firm for this year.	None	All attending members unanimously approved.	All attending directors unanimously approved.
2023.03.29	First Term Fifth Meeting	1. Statement on the self-assessment results of the internal control system.	None		
2023.05.08	First Term Sixth Meeting	1. Proposal for a private placement of common stock through a cash increase.	None		
2023.06.12	First Term Eighth Meeting	1. Proposal to establish a subsidiary in Vietnam. 2. Amendment to certain clauses of the "Opinion on the Reasonableness of the Price of Privately Placed Common Stocks." 3. Appointment of the company's "Chief Financial Officer and Chief Accounting Officer."	None		
2023.07.19	Second Term First Meeting	1. Appointment of senior managers of the company. 2. Amendment to certain clauses of the company's "Internal Control System."	None		
2023.08.30	Second Term Third Meeting	1. The company's proposed acquisition of 100% of the shares of CHINTEK INC..	None		
2023.11.08	Second Term Fifth Meeting	1. Amendment to certain clauses of the company's "Asset Acquisition or Disposal Procedures." 2. Amendment to certain clauses of the company's "Internal Control System." 3. New reinvestment projects by the company. 4. New reinvestment projects by the company.	None		

		5. To diversify the company's business, a proposed reinvestment in CERMAX Co., Ltd. 6. Proposal to authorize the chairman of the board to make endorsements and guarantees within the approved limits.			
2023.12.08	Second Term Sixth Meeting	1. The company's own land in Xindian District, New Taipei City, application for self-conducted urban renewal project plan. 2. The company's new initiative to establish a reinvestment start-up company.	None		

(II) Apart from the aforementioned items, resolutions agreed upon by more than two-thirds of all directors without the approval of the Audit Committee: None.

III. Implementation of conflict of interest abstention by independent directors, including the name of the independent director, content of the motion, reasons for abstention due to conflict of interest, and participation in voting: None.

IV. Communication between independent directors and the internal audit director and accountants (should include significant matters, methods, and results of communication regarding the company's finances and business conditions):

1. Communication between directors (including independent directors) and accountants
   In 2023, three pre-board meeting sessions were held, where accountants discussed corporate governance issues with the attending directors (including independent directors) and management level (CFO and audit director).
2. Communication between independent directors and accountants and internal audit director
   An annual meeting is held at least once between independent directors, accountants, and the internal audit director to discuss the completed external audit opinions by the accountant.
   Communication in 2023 between independent directors, accountants, and the internal audit director:

Date	Attendees	Communication matters	Communication results
2023.12.08 (Seminar)	Wang En Guo, Independent Director Gong Xin Jie, Independent Director CPA Chou Shih Chieh Manager Liu Yu Han Liu Lin Wen Chi, Audit Supervisor	(1) Responsibilities of the governance unit (2) Deloitte & Touche's quality management system for accounting firms (3) Scope and methods of audit (4) Group audit (5) Significant risks and key audit matters (6) Sustainability Disclosure Standards under International Financial Reporting Standards	Unanimously approved without objection

3. Communication between the independent directors and the internal audit supervisor
   1. The company's audit supervisor submits the previous month's audit report and deficiency tracking report by the end of each month, reporting on the internal audit execution and the operation of internal controls. Meetings can be convened at any time in case of significant irregularities.
   2. The internal audit supervisor regularly reports to the Audit Committee on the annual audit plan and the execution of audit operations.
      Communication between the independent directors and the audit supervisor in 2023:

Date	Communication matters	Communication results
2023.03.29 Audit Committee	Internal Audit Report and Statement of Self-Assessment of Internal Control System	Unanimously approved without objection
2023.05.12 Audit Committee	Internal audit report	Unanimously approved without objection
2023.06.12 Audit Committee	Internal audit report	Unanimously approved without objection
2023.07.19 Audit Committee	Amendments to certain provisions of the Company's "Internal Control System"	Unanimously approved without objection
2023.08.08 Audit Committee	Internal audit report	Unanimously approved without objection
2023.11.08 Audit Committee	Internal audit report Amendments to certain provisions of the Company's "Internal Control System"	Unanimously approved without objection
2023.12.08 Audit Committee	Internal audit report 2024 Internal audit plan	Unanimously approved without objection

(III) State of corporate governance operations and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference:

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the company established and disclosed its Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", which was adopted after the approval of the Board of Directors on August 1, 2018. Development trends of corporate governance, and disclose them on the Market Observation Post System and the Company's website.	No significant differences
II. Equity structure and shareholders' equity				
(I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	V		(I) The company has appointed a spokesperson and a deputy spokesperson responsible for handling and responding to shareholder suggestions, doubts, disputes, and litigation-related matters; the company has assigned staff to handle share affairs and has appointed the "Fubon Securities Co., Ltd. Stock Affairs Agency Department" to assist with related matters.	No significant differences
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	V		(II) The company reports monthly on the shareholding status of directors, managers, and major shareholders.	No significant differences
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		(III) The company has established "Specific Company, Group Enterprises, and Related Party Transaction Procedures" and "Corporate Governance Practice Guidelines" within its internal control system, which clearly regulate transactions, personnel, assets, and finances between related enterprises, aiming to establish appropriate firewalls and risk management.	No significant differences
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		(IV) The company has established a "Code of Ethical Conduct," "Ethical Behavior and Corporate Social Responsibility Practice Guidelines," and "Internal Significant Information Handling Procedures," which stipulate that directors, managers, and employees aware of significant internal information of the company must not disclose such information to others and	No significant differences

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
			must enhance its dissemination.	
III. Composition and Responsibilities of the Board of Directors (I) Has the board formulated a diversity policy, specific management objectives, and their implementation?	V		(I) The company has established “Election Procedures for Directors and Supervisors” and “Corporate Governance Practice Guidelines,” setting an appropriate diversity policy for the composition of board members. Board members should possess the necessary knowledge, skills, and qualifications required to perform their duties. Overall, they should have capabilities in operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership, and decision-making. The company’s board consists of 6 members (including 2 independent directors), with independent directors making up 33% and external directors 83% of the board. All directors are industry veterans with diverse and complementary professional backgrounds and capabilities.	No significant differences
(II) Besides legally establishing a Compensation Committee and an Audit Committee, has the company voluntarily set up other types of functional committees?	V		(II) In addition to legally establishing a Compensation Committee and an Audit Committee under the company’s Board of Directors, to deepen sustainable development, the Board approved the establishment of a “Sustainability Committee” under the Board on January 30, 2024, to strengthen the Board’s functions and management mechanisms.	No significant differences
(III) Has the company established a method for assessing board performance and its evaluation methods, conducting performance evaluations annually and regularly, reporting the results to the board, and using them for	V		(III) On April 27, 2020, the Board of Directors approved the revision of the “Performance Evaluation Procedures for Directors, Supervisors, and Managers,” conducting an annual performance evaluation and completing the assessment results by the end of the first quarter of the following year. These results are used as references	No significant differences

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
individual director compensation and nomination for reappointment?			for the selection or nomination of directors and for setting individual directors' compensation. In January 2024, the company completed the performance evaluation of the Board of Directors, its members, and functional committees, and reported the results to the Board of Directors on January 30, 2024. For the year 2023, the overall self-assessment average score of the Board of Directors was 4.63, and the average self-assessment score for individual members' performance was 4.7, indicating a positive evaluation and demonstrating effective board operations; the performance self-assessment average score for functional committees was 4.54, with the Compensation Committee and the Audit Committee both functioning well and fully exercising their duties. (The maximum score for all ratings is 5 points)	
(IV) Does the company regularly assess the independence of the certifying accountant?			(IV) Our company annually assesses the independence of the appointed accountants, and the Board of Directors regularly evaluates the independence, suitability, and professionalism of the certifying accountants every year, confirming that, apart from the fees for the audit and tax cases, the accountants have no other financial interests or business relationships with the company. When discussing the independence and appointment of the certifying accountants, the Board also reviews the personal resumes of the accountants (accountants' past and current cases) and verifies each accountant's declaration of independence to assess their suitability.	No significant differences
IV. Do listed and over-the-counter companies employ a suitable number and appropriate personnel for corporate governance, and designate a corporate governance officer responsible for handling corporate governance-related matters (including but not limited to providing information needed by	V		The company appointed a corporate governance officer on June 12, 2023, and has staff in charge of share affairs to assist directors with obtaining information needed for their duties, helping directors comply with laws, handling matters related to board, functional committee, and shareholders' meetings according to law, and preparing minutes and other corporate governance-related matters.	No significant differences

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws, legally conducting board and shareholders' meetings, and preparing minutes for board and shareholders' meetings)?				
V. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a dedicated section for stakeholders on the company's website, and adequately respond to significant corporate social responsibility issues that stakeholders are concerned with?	V		1. The company has appointed spokespersons and deputy spokespersons as the communication channels for stakeholders. 2. The company's website features a dedicated section for investors/shareholders/stakeholders, which includes information on the communication channels and contact details for stakeholders (including responsible contacts, phone numbers, and email addresses), to handle stakeholder-related matters and maintain good communication relationships.	No significant differences
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company appoints a professional stock agency, "Stock Service Agency Department of Fubon Securities Co., Ltd." to handle shareholders' meetings and stock affairs.	No significant differences
VII. Information Disclosure (I) Has the Company set up a website to disclose financial, business and corporate governance information?	V		(I) The Company's website is maintained by dedicated personnel. Corporate governance and financial information are updated from time to time. Information has been disclosed on the Company's website: https://www.jh.com.tw/esg-98.	No significant differences
(II) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)?	V		(II) The Company has set up an English website; designated personnel to be responsible for the collection and disclosure of the Company's information: the Company declares various financial and business information on the Market Observation Post System on a regular and irregular basis as required; the Company implements the spokesperson system: COO, Jess Lin, acts as the spokesperson. Chen Borong, the head of finance and accounting, acted as the acting spokesperson; the audio files and briefing materials of the Company's investor conference (in Chinese and English) are placed in the shareholders' section of the	No significant differences

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
			Company's website for the convenience of all parties concerned; information related to institutional investor conferences is not only announced in the shareholders' section, but has also been entered into the Market Observation Post System (MOPS) in accordance with the regulations of the Stock Exchange.	
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?	V		(III) The Company announces and reports at the end of the fiscal year that the 2023 financial statements were completed on March 15, 2024, and announces and reports the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline. On the Market Observation Post System, All information is uploaded to the Company's website at the same time for the reference of shareholders and stakeholders.	No significant differences
VIII. Does the Company have other important information that is helpful to understand the implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education of directors and supervisors, risk management policies and risk measurement standards, the implementation of customer policies, the purchase of liability insurance for directors and supervisors, etc.)?	V		1. Employee rights and employee care: Please refer to page 100 of this annual report. 2. Investor relations: We have a spokesperson system in place. Investors with questions are able to get information through the Company's spokesperson. 3. Supplier relations: We adopt a periodic evaluation policy for suppliers and perform measurements on product delivery, quality and price, and select the best suppliers by elimination. In terms of payment concerns of the suppliers, we strictly abide by the negotiated payment schedule. 4. Stakeholder rights: All directors of the Company uphold the principle of high self-discipline and do not participate in voting if there is an interest involved in the motion at a Board meeting. 5. Further education of directors and supervisors: We encourage the directors and supervisors to participate in further education with a positive attitude. Further education of directors and supervisors has been disclosed on the MOPS. 6. Implementation of the risk management policy and risk measurement standards: We have various internal control systems,	No significant differences

Evaluation Item	The State			Difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
			which are strictly audited each month by the internal auditor. Deficiencies found during an audit must be corrected within a prescribed time to meet the Company's system. Procurement and business vendors and customers are strictly selected in order to operate our business with honesty and fairness. 7. Implementation of the customer policy: We adopt a progressive trading and credit relaxation principle for all customers. In addition, we regularly track the collection of accounts receivable and exchange information with peers to strive for customers' dynamics. 8. The Company's purchase of liability insurance for directors and supervisors: The insurance period was from January 1, 2024 to January 1, 2025, and the total amount insured was US$3 million.	
IX. Please explain the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose enhancement measures and measures for those that have not yet been improved:NA				

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

1. Membership of the Remuneration Committee

April 30, 2024

<table>
<tr><th>Identity \ Name \ Criteria</th><th></th><th>Professional qualifications and experience</th><th>Situation of Independence</th><th>Number of other public companies in which the individual is concurrently serving as an independent director</th></tr>
<tr><td>Convener Independent director</td><td>Wang En Guo</td><td>Graduated with a Master’s in Regional Economics from Jinan University in Guangzhou, previously served as Vice Chairman at KORYO ELECTRONICS CO., LTD, and currently holds the positions of Vice Chairman at TECO IMAGE SYSTEMS CO., LTD., Chairman of Nanchang Creative Sensor Technology Co.,Ltd., Director at Creative Sensor Co.,Ltd., Director at ProMOS Technologies Inc., Independent Director at ENERGY MOANA TECHNOLOGY CO., LTD., Chairman of Fu Guo Network Live Broadcasting Co., Ltd., Head of Tianda Consulting Co., Ltd., and Head of Xinben Investment Co., Ltd. Possesses extensive operational management experience.</td><td rowspan="3">All committee members meet the following criteria, and have obtained a signed declaration of independence:
1. In line with the provisions of Article 14-2 of the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by the FSC.
2. The individual, their spouse, and relatives within the second degree have not held positions as a director, supervisor, or employee in this company or any related enterprises.
3. In the past two years, the individual has not provided business, legal, financial, or accounting services to this company or its related enterprises.
4. The person, their spouse, and relatives within the second degree of kinship (or using another person’s name) hold more than one percent of the total issued shares of the company or are among the top ten individual shareholders by number of shares held.</td><td>1</td></tr>
<tr><td>Independent director</td><td>Gong Xin Jie</td><td>Graduated with a Master of Laws from the University of Minnesota Law School and a degree in Law from the Department of Law at National ChengchiJi University. Previously worked as a partner at Chien Yeh Law Offices, currently serves as the principal attorney at Global Network Commerce Legal, Independent Director at FALCON MACHINE TOOLS CO., LTD, and Director at Global Network Commerce Ltd, possessing extensive legal experience.</td><td>1</td></tr>
<tr><td>Others</td><td>Hsu Shi Min</td><td>Graduated with a master’s degree from the Graduate Institute of Finance at Fu Jen Catholic University, previously served as the Chairman and CEO of Anderws Impact Investing LTD., a consultant for Excellent Water Appraisal Intelligence & Co. , and the Deputy General Manager of the Taipei Branch of Bank of East Asia.</td><td>None</td></tr>
</table>

2. Terms of reference of the Remuneration Committee

The Committee shall exercise the care of a good administrator and faithfully perform the following duties, and submit its recommendations to the Board of Directors for discussion. However, the proposal for the remuneration of supervisors to the board of directors for discussion is limited to those stipulated in the articles of association of the company or authorized by the board of directors through resolutions of the shareholders' meeting:

I. Set and regularly review the performance evaluation standards, annual and long-term performance goals for the company's directors, supervisors, and managers, along with the policies, systems, standards, and structures for salary compensation.

II. Regularly assess the achievement of performance goals by the company's directors, supervisors, and managers, and based on the results of the performance evaluations according to the established standards, determine the content and amount of their individual salary compensation.

3. Information on the operation of the Compensation Committee

(1) The company's Compensation Committee consists of 3 members.

(2) Term of the current members: From July 19, 2023, to June 28, 2026. In the most recent year (2023), the Compensation Committee met 3 times (A), with the following details on members' qualifications and attendance:

Title	Name	Number of actual attendance (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Convener	Wang En Guo	3	0	100	Newly elected on July 19, 2023
Member	Gong Xin Jie	3	0	100	Newly elected on July 19, 2023
Member	Hsu Shi Min	3	0	100	Newly elected on July 19, 2023

Date of Remuneration Committee's meetings, matters discussed, results of resolutions, and the Company's handling of the Remuneration Committee's opinions in the most recent year (2023):

<table>
<tr><th>Date</th><th>Term</th><th>Proposal Content</th><th>Resolution Result</th><th>The Company's handling of the opinions of the Remuneration Committee</th></tr>
<tr><td rowspan="3">2023.08.08</td><td rowspan="3">Sixth Term First Meeting</td><td>Remuneration to the current directors (including independent directors).</td><td rowspan="6">All attending members unanimously approved.</td><td rowspan="6">All attending directors unanimously approved.</td></tr>
<tr><td>Transportation Expenses for Directors and Functional Committee Members to Attend Shareholders Meeting, Board Meeting, Audit Committee or Remuneration Committee</td></tr>
<tr><td>Remuneration to the newly appointed director of the Company.</td></tr>
<tr><td>2023.08.09</td><td>Sixth Term Second Meeting</td><td>Remuneration to the new Chairman of the Company.</td></tr>
<tr><td rowspan="2">2023.12.08</td><td rowspan="2">Sixth Term Third Meeting</td><td>Proposal to establish the "Regulations Governing the Remuneration of Directors, Functional Committee Members and Managers".</td></tr>
<tr><td>Proposal to establish the Company's "Measures for the Management of Performance Appraisal".</td></tr>
</table>

Other information required:

I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): **None.**

II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by a recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

(V) The implementation of sustainable development and the deviation from the Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor

Items to be promoted	Implementation Status			Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the Company established a governance structure for the promotion of sustainable development, with dedicated (or part-time) units to promote sustainable development, with senior management authorized by the Board of Directors to handle it, and whether it is supervised by the Board of Directors?	V		On January 30, 2024, the Board of Directors of the Company approved the establishment of the Sustainable Development Committee, formulated the "Organizational Rules and Regulations of the Sustainable Development Committee", and appointed Chairman Hao-Ji Shih, Independent Director Wang En-Guo, and Finance Vice President Chen Wen-Wei as the first Member of the Development Committee. The Committee is the decision-making and supervisory unit of the Company's sustainable development related work, assisting the Board of Directors to continue to promote corporate social responsibility and improve corporate governance in order to achieve the purpose of sustainable management. The Committee shall convene a meeting at least once a year, and may convene additional meetings as required. The minutes of the meeting shall be signed or sealed by the chairperson and the minutes taker and distributed to the members of the Committee within 20 days after the meeting, and shall be reported to the Board of Directors.	No significant differences
II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy?	V		The entire company has established the "Corporate Social Responsibility Best Practice Principles" to implement corporate social responsibility and promote the balance and sustainable development of the economy, society, and environment. Please refer to P89 - P92 of this annual report for related statements. In terms of economic, environmental and social issues arising from operations, the Company prevents and controls possible risks in the process of business management. According to the materiality principle, the Company also conducts a risk assessment on environmental, social and corporate governance issues associated with the Company's operation. The results of a risk assessment will be used as a reference for the Company's risk management and operations strategy.	No significant differences

Items to be promoted	Implementation Status			Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
			The Company shall comply with environmental-related laws and regulations and applicable international standards to adequately protect the natural environmental. Moreover, the Company shall be committed to achieving the objective of environmental sustainability when carrying out business activities and internal management. Additionally, it is appropriate to establish an environmental management system suitable for the company's industry characteristics. The Company's environmental management system, which shall include the following items: 1. Collect and evaluate adequate and timely information on the impact of operating activities on the natural environment 2. Establish measurable objectives for environmental sustainability and regularly review the sustainability and relevance of the development of the goals. 3. Formulate measures including concrete plans or action plans and periodically review their effectiveness.	
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics? (II) Is the company committed to improving the efficiency of energy use and using recycled materials with low impact on the environment? (III) Has the Company assessed the potential risks and opportunities posed by climate change to the Company at present and in the future, and taken relevant countermeasures? (IV) Has the Company kept statistics on the amount of greenhouse gas emission,	V		The Company strictly implements the "Electronic Industry Citizenship Coalition" (EICC). To implement environmental management, we attained ISO14001 certificate in December 2009 and continue to promote environmental improvement-related programs. In the office, we implement waste classification and recycling, and the lights are switched off during lunch break to save energy and reduce carbon emissions. In terms of greenhouse gas emission reduction, we have achieved localized production by joining hands with our customers to build strong production bases. Through the crossover model of vertical integration and horizontal development, we have significantly reduced the long-distance transportation chain of materials and products. Essentially, shortening carbon footprint is our first step towards emission reduction. At the same time, we have installed LED energy-saving lighting facilities in the main production base in Kunshan. We began from replacing basic hardware facilities such as eliminating the use high	No significant differences

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Implementation Status</th><th rowspan="2">Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?</td><td></td><td></td><td>energy-consuming mercury lamps. Not only does this mean we no longer use high energy-consuming products, we at the same time stop the use of highly polluting mercury.
As for emission reduction, the Company encourages its direct employees to use battery cars for transportation and they can charge their cars free of charge at the electric charging bays. By promoting/encouraging and providing incentives for free charging, we hope that more direct employees will reduce the use of fossil fuels and practice GHG emission reduction.
Please refer to P98-P100 of this annual report for the relevant information statement.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Has the company established management policies and procedures in accordance with relevant regulations and international human rights conventions?
(II) Has the company established and implemented reasonable employee welfare measures (including salary, leave, and other benefits), and does it appropriately reflect business performance or outcomes in employee compensation?
(III) Does the company provide a safe and healthy work environment for employees, and conduct regular safety and health education for them?
(IV) Has the company established effective career development and training programs for its employees?
(V) Regarding customer health</td><td>V</td><td></td><td>(I) Our entire company has established personnel management regulations that cover all aspects from employee hiring, appointments, related benefits, to retirement, all of which comply with domestic labor laws and respect international human rights conventions.
(II) Employee welfare measures of the company include:
1. Implementing labor and health insurance, an employee stock ownership plan, and group insurance for staff stationed abroad.
2. A welfare committee has been established, which allocates 1% of the capital at the time of establishment, 0.05% of monthly sales revenue, and 40% of scrap income as employee welfare funds to organize various recreational, leisure activities, birthday celebrations, and holiday gifts.
3. Implementation of a duty-based work system, with flexible working hours (except for the manufacturing department).
4. Organizing annual overseas trips.
5. Benefits such as hospital visitation allowances, wedding gifts, funeral condolences (including for family members), bonuses for three festivals (Labor Day, Mid-Autumn Festival, Dragon Boat Festival), and year-end bonuses.
6. Providing vehicles or subsidies for motor vehicle fuel based on position and</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Implementation Status</th><th rowspan="2">Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>and safety, customer privacy, marketing, and labeling of products and services, does the company follow relevant regulations and international standards, and has it established policies and complaint procedures to protect consumer rights or customer rights?
(VI) Has the company established a supplier management policy that requires suppliers to adhere to standards related to environmental protection, occupational safety and health, or labor rights, and their implementation?</td><td></td><td></td><td>attendance.
7. Providing free parking spaces for employees.
8. Other benefits.
To prevent sexual harassment in the employment market, maintain gender equality at work, and protect personal dignity, measures and disciplinary guidelines for preventing sexual harassment in the workplace have been established, and a responsible unit has been set up within the company to enhance the complaint mechanism.
<table>
<tr><th>Gender Equality Indicator</th><th>Percentage %</th><th>2024 target</th></tr>
<tr><td>Female % of total employees</td><td>43.55</td><td>45</td></tr>
<tr><td>Female dominated executives</td><td>22.22</td><td>30</td></tr>
<tr><td>Female senior executives</td><td>0.00</td><td>15</td></tr>
</table>
<table>
<tr><th>Remuneration equality indicator</th><th>Difference %</th></tr>
<tr><td>Average wage gap between men and women</td><td>0.45</td></tr>
<tr><td>Median salary gap between men and women</td><td>0.39</td></tr>
<tr><td>Gap in average variable bonus for men and women</td><td>0.4</td></tr>
<tr><td>Gap in the median variable bonus for men and women</td><td>0.56</td></tr>
</table>
(III) The Company has stipulated total smoking in the workplace, and conducts fire safety inspections every year in accordance with the government’s fire safety regulations. Employees also undergo regular health checkups to provide employees with a safe and healthy working environment and health education.
(IV) All employees are trained on safety and health, compliance with laws and regulations, and continuous improvement. We provide diverse and cross-departmental communication</td><td></td></tr>
</table>

Items to be promoted	Implementation Status			Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	
			channels in the Company. 1. Employees are assessed on a regular basis, and year-end bonuses are distributed based on the assessment results. 2. We inform our employees of operational changes that may result in material impact on them via email. (V) The Company's products have passed ISO9002 and many other safety certifications. We also screen suppliers on a regular basis to ensure product quality and protect social welfare. (VI) We have signed the following with our suppliers: 1. Confirmation of social responsibility of suppliers. 2. Environmental protection agreement, and we establish standards for various harmful substances while strictly complying with RoH, REACH and other environmental protection standards to fully prevent all types of harmful substances from entering the production chain. 3. Declaration of not using harmful substances, declaration of not using halogen-containing materials, pledge of not using conflict minerals. The Company has established an occupational safety management system: 1. The Company has attained OHSAS18001 certificate since 2016. 2. The Company has formulated a safety and health management policy to pursue zero injuries, zero occupational diseases, and zero accidents, creating the best work environment for all employees. Since 2018, there have been no injuries, occupational diseases and zero accidents, achieving the target. 3. Industrial safety: A disaster prevention center has been established at the headquarters in Xindian to immediate inform each plant of any safety information on typhoons, earthquakes or serious epidemics. We also set up a task	

<table>
<tr><th rowspan="2">Items to be promoted</th><th colspan="3">Implementation Status</th><th rowspan="2">Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>force to provide immediate disaster prevention information, and conduct response training on response personnel to strengthen the Group’s disaster prevention system.
4. Fire system management: Ensure that the safety software and hardware and management mechanism are in place. Problems must be addressed immediately in order to effectively reduce the risk of fire in each plant, including evacuation maps, notification of fire authorities, annual firefighting drills.
5. Occupational safety education and training: 2 fire organization drills and training on the use of building lift equipment are performed each year. The topics of firefighting activities include: Firefighting knowledge education and promotion, contents of prevention program, and fire prevention measures. The Company has 10 seed members and all employees of the Company participate in the drills. Safety audits were performed in the plants and deficiencies were corrected.</td><td></td></tr>
<tr><td>V. Does the company refer to internationally recognized reporting standards or guidelines to prepare sustainability reports and other non-financial information disclosure reports? Are these reports supported by the assurance or opinion of a third-party verification entity?</td><td></td><td>V</td><td>The company has established a Sustainability Committee to assist the Board of Directors in continuously implementing corporate social responsibility and practicing corporate governance, as well as to pursue sustainable management objectives. It also continues to promote sustainability programs and performance tracking reviews, and plans to prepare a sustainability report including a carbon inventory in 2024.</td><td>The plan is to prepare a sustainability report in 2024 that will include a carbon inventory.</td></tr>
<tr><td colspan="5">VI. If the company has its own sustainability report based on the “Sustainability Practice Guidelines for Listed and Over-The-Counter Companies,” please describe the differences between its operations and the established guidelines:
The Company has formulated its Code of Conduct and Corporate Social Responsibility Best-Practice Principles in accordance with the “Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” there are no differences in the contents.</td></tr>
<tr><td colspan="5">VII. Other important information that is helpful in understanding the status of implementation of sustainable</td></tr>
</table>

Items to be promoted	Implementation Status			Difference from the compared to the Sustainability Practice Guidelines for TWSE/TPEx Listed Companies and the reasons for such difference
	Yes	No	Summary	

development:
For other information on the company's corporate social responsibility operations, please refer to the corporate social responsibility section on our company's website at https://www.jh.com.tw/esg-110-116) and for the corporate social responsibility statement, please refer to this year's annual report (pages 98-100).

Climate-Related Information for Listed and Over-The-Counter Companies

1. Implementation of Climate-Related Information

Item	Implementation Status
I. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management.	I. The governance of climate risks and opportunities and the annual sustainable development situation are reported annually by the Sustainability Committee to the board of directors, with the board overseeing the effectiveness of the implementation; an independent director serves as the chair of the Sustainability Committee, with heads of each unit implementing risk identification, assessment, and management.
II. Explain how the identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	II. Climate Risk and Opportunity Table for 2023, Short, Medium, and Long Term

No.	Climate Change Risks	Risk level	Time Scope
R1	Increase pricing of greenhouse gas emissions	High	Short and medium term
R2	Strengthening of emission reporting obligations	Medium	Short-term
R3	Requirements and supervision of existing products and services	Medium	Short-term
R4	Replacing existing products and services with low-carbon products	Medium	Medium-term, long-term
R5	Cost of low-carbon technology transformation	Medium	Short and medium term
R6	Changes in customer behavior	Medium	Short and medium term
R7	Changes in rainfall (water) patterns and extreme changes in climate patterns	Medium	Medium-term, long-term
R8	Increased severity of extreme weather events such as typhoons and floods	Medium	Mid-term

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><td>R9</td><td>Rising raw material costs</td><td>High</td><td>Short-term, medium-term, long-term</td></tr>
<tr><td>R10</td><td>Average temperature rise</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>R11</td><td>Sea level rise</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>01</td><td>Reduction of water usage and consumption</td><td>Low</td><td>Short-term, medium-term, long-term</td></tr>
<tr><td>02</td><td>Use of more efficient production and distribution processes</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>03</td><td>Recycle and reuse</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>04</td><td>Conversion to higher efficiency buildings</td><td>Low</td><td>Medium-term, long-term</td></tr>
<tr><td>05</td><td>Adopt more efficient transportation methods</td><td>Medium</td><td>Short-term, medium-term, long-term</td></tr>
<tr><td>06</td><td>Use of low-carbon energy</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>07</td><td>Adoption of incentive policies</td><td>Low</td><td>Medium-term, long-term</td></tr>
<tr><td>08</td><td>Use of new technology</td><td>Medium</td><td>Medium-term, long-term</td></tr>
<tr><td>09</td><td>Participation in the carbon trading market</td><td>Low</td><td>Medium-term, long-term</td></tr>
<tr><td>10</td><td>Shift to non-centralized energy</td><td>Low</td><td>Medium-term, long-term</td></tr>
</table>
Note: Short-term: 1-5 years; medium-term: 5-10 years; long-term: more than 10 years
</td></tr>
<tr><td>III. Describe the financial impacts of extreme weather events and transition actions.

IV. Explain how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management system.

V. If scenario analysis is used to assess resilience to climate change risks, describe the</td><td>III. The company’s operations may be accompanied by risks of various extreme weather events, such as high temperatures, droughts, typhoons, floods, and other extreme climate disasters, which could directly or indirectly cause malfunctions or abnormalities in machinery and equipment. This could lead to delivery delays, production limitations, and situations where employees are unable to attend work, all of which may also partially impact operations. Insurance has been secured for fixed assets, machinery, equipment, inventory, etc., according to the characteristics of each operational region to mitigate potential losses. However, such insurance may still not provide sufficient protection under certain circumstances and there may also be possible adverse impacts on operations.

IV. The company currently does not have a climate risk management system based on practical guidelines.

V. The company currently does not use scenario analysis to assess resilience to climate change risks.</td></tr>
</table>

Item	Implementation Status
scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	
VI. If there is a transition plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	VI. The company currently does not have a transition plan to manage climate-related risks.
VII. If internal carbon pricing is used as a planning tool, explain the basis for setting the price.	VII. The company currently does not use internal carbon pricing tools.
VIII. If climate-related targets are set, explain the activities covered, the scopes of greenhouse gas emissions, the planning period, and the progress achieved annually; if carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, explain the source and amount of the carbon reduction or the number of Renewable Energy Certificates (RECs).	VIII. The company is currently conducting a greenhouse gas inventory for the year 2023, and the planning of various schedules is being gradually developed and implemented.
IX. Greenhouse gas inventory and verification, reduction targets, strategies, and specific action plans.	IX. The company is currently conducting a greenhouse gas inventory for the year 2023, and the planning of various schedules is being gradually developed and implemented.

1-1 Greenhouse Gas Inventory and Verification for the Past Two Years

The company is currently conducting the greenhouse gas inventory for the year 2023, with completion of the inventory and third-party verification expected by the end of 2024.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Following the completion of the 2023 greenhouse gas inventory, the company plans to formulate specific action plans based on the data.

(VI) Implementation of Ethical Management and Differences and Reasons Compared to the Ethical Management Guidelines of Listed and Over-The-Counter Companies:

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">The State</th><th rowspan="2">Difference from the Ethical Corporate Management 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>I. Formulating Ethical Management Policies and Plans
(I) Has the company established an ethical management policy approved by the Board of Directors, and does it explicitly state the policy and practices of ethical management in regulations and external documents, along with the commitment of the Board and senior management to actively implement these policies?
(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies”?
(III) Does the company clearly define procedures, guidelines for behavior, penalties for violations, and a complaint system within its plans to prevent unethical behaviors, ensure their implementation, and regularly review and revise these plans?</td><td>V</td><td></td><td>The Company’s Board meeting held on March 26, 2015 approved its “Ethical Corporate Management Best-Practice Principles”. The Principles clearly stipulate that all suppliers must sign and abide by the Principles and not to accept gifts or receive kickbacks. In the event of a violation, the Company will terminate the partnership. The Company also implements a disciplinary and grievance system to strive for the most reasonable quotation, the best quality and the best service.
The Company’s disciplinary regulations for violating ethical corporate management regulations and its grievance system are announced on its internet site, as well as to disclose information, policies, prevention plans and consequences of violation of an unethical conduct.
The internal auditors regularly audit the compliance of the system of the preceding paragraph and any irregularities will be reported to the Board of Directors. The internal auditors promotes the concepts of the Company’s ethical corporate management.
The Company has established a special grievance mailbox and a grievance e-mail: lijenny@jh.com.tw to provide employees with a smooth grievance channel.</td><td>No significant differences</td></tr>
<tr><td>II. Implementing Ethical Management
(I) Does the company assess the integrity records of its business partners and explicitly include ethical behavior clauses in the contracts signed with them?
(II) Does the company have a unit dedicated to promoting business integrity under the Board of Directors, and does it report regularly (at least once a year) to the Board on its ethical management policies, plans to</td><td>V</td><td></td><td>We have established the “Ethical Corporate Management Best-Practice Principles”. The Principles clearly stipulate that all suppliers must sign and abide by the Principles and not to accept gifts or receive kickbacks. In the event of a violation, the Company will terminate the partnership. The Company also implements a disciplinary and grievance system to strive for the most reasonable quotation, the best quality and the best service.
The Company has established a special</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">The State</th><th rowspan="2">Difference from the Ethical Corporate Management 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>prevent unethical behaviors, and the supervision of their implementation?
(III) Has the company established a conflict of interest policy, provided appropriate disclosure channels, and effectively implemented them?
(IV) Has the company established effective accounting and internal control systems for implementing ethical management, with the internal audit unit drafting audit plans based on the assessment results of unethical behavior risks, checking compliance with the plans to prevent unethical behaviors, or having accountants perform the audits?
(V) Does the company regularly conduct internal and external training on ethical management?</td><td></td><td></td><td>grievance mailbox and a grievance e-mail: lijenny@jh.com.tw to provide employees with a smooth grievance channel.
To improve the management of ethical corporate management, a dedicated unit has been set up under the Board of Directors. The unit is responsible for the formulation of the ethical corporate management policy and prevention plans while also supervising their implementation. The unit is mainly responsible for the following matters and reports to the Board of Directors on a regular basis:
1. Assist in incorporating integrity and ethical values into the Company’s management strategy and formulate fraud prevention measures in line with the law and systems to ensure corporate ethical management.
2. Formulate programs to prevent unethical acts and establish work-related standard operating procedures and conduct guidelines in each program.
3. Plan internal organization, establish duties and operating activities with higher risk of unethical acts, while establishing a mutual supervision mechanism.
4. Promote and coordinate the integrity policy promotion training.
5. Plan a reporting system to ensure the effectiveness of implementation.
6. Assist the Board of Directors and management in checking and evaluating whether the prevention measures established for ethical management are effectively implemented; compile a report on the compliance of the relevant business processes.</td><td></td></tr>
<tr><td>III. State of operations of the company’s reporting system
(I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?</td><td>V</td><td></td><td>We have adopted a disciplinary and grievance system for violations. There is also a confidential system in place to receive reports and grievances at all times.
The Company has established a special grievance mailbox and a grievance e-</td><td>No significant differences</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">The State</th><th rowspan="2">Difference from the Ethical Corporate Management 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>(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?
(III) Has the company taken appropriate measures to protect the whistleblower from improper treatment as a result of whistleblowing?</td><td></td><td></td><td>mail: lijenny@jh.com.tw to provide employees with a smooth grievance channel.
The Company has established a clear and effective reward and disciplinary system that integrates the ethical corporate management policy, employee performance appraisals and the human resources policy.
The Company has set up dedicated personnel and unit that receive complaints. If a major violation is found after investigation or if there is a risk of major damage to the Company, a report shall be compiled immediately with independent directors and supervisors notified in writing.
The Company's disciplinary regulations for violating ethical corporate management regulations and its grievance system are announced on its internet site, as well as to disclose information, policies, prevention plans and consequences of violation of an unethical conduct.
The Company protects the identity of the whistleblower from improper treatment as a result of whistleblowing</td><td></td></tr>
<tr><td>IV. Enhance information disclosure
Has the company disclosed the content of its Ethical Corporate Management Best-Practice Principles and the results of implementation on its official website and MOPS?</td><td>V</td><td></td><td>Disclosed in the annual report of the shareholders' meeting and on the Company's website at http://www.jh.com.tw .</td><td>No significant differences</td></tr>
<tr><td colspan="5">V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the differences between its operation and the Principles: None.</td></tr>
<tr><td colspan="5">VI. Any other important information that may help understanding the performance of ethical corporate management better: (e.g., review of an amendment to its Ethical Corporate Management Best-Practice Principles): We have formulated the Ethical Corporate Management Best-Practice Principles and we educate, train and review at meetings.</td></tr>
</table>

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

It has been disclosed on the Company's website at http://www.jh.com.tw .

(VIII) Other information material to the understanding of corporate governance that may be disclosed together:Please refer to the "Corporate Governance Zone" of our company's website.

(IX) The following matters shall be disclosed for the implementation of an internal control system:

1. Statement of Internal Control System

Ji-Haw Industrial, Co., Ltd.

Statement of Internal Control System

Date: March 13, 2024

The Company states the following with respect to its 2023 internal control system based on the results of a self-assessment:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board of Directors and Company Officer of the Company. As such, the Company has established the aforementioned system. The purpose is to provide reasonable assurance for achieving objectives related to the effectiveness and efficiency of operations (including profitability, performance, and asset security), reliability of reporting, timeliness, transparency, and compliance with relevant regulations and legal requirements.

II. Internal control systems have inherent limitations; no matter how well-designed, an effective internal control system can only provide reasonable assurance towards achieving the aforementioned goals. Moreover, the effectiveness of internal control systems may change due to changes in the environment or circumstances. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take immediate remedial actions.

III. The company assesses the effectiveness of its internal control systems based on the "Guidelines for the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Guidelines"). This assessment determines whether the design and implementation of the internal control systems are effective. The internal control system assessment criteria adopted by the "Guidelines" divide the internal control systems into five components based on the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. The composition of each element includes several items. Please refer to the "Regulations" for the aforesaid items.

IV. The company has adopted the aforementioned internal control system assessment criteria to evaluate the effectiveness of the design and implementation of its internal control systems.

V. Based on the results of this evaluation, the company believes that its internal control systems as of December 31, 2023 (including the supervision and management of subsidiaries), which involve understanding the extent to which operational effectiveness and efficiency objectives are met, reporting that is reliable, timely, transparent, and compliant with relevant standards and legal regulations, are effective. These systems are deemed to provide reasonable assurance in achieving the stated objectives.

VI. This statement will become a major part of the company's annual report and public prospectus and will be made publicly available. If the aforesaid public content has any illegal events including falseness or concealment etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the company's Board of Directors on March 13, 2024. Among the six directors present, none opposed, and the rest agreed to the contents of this statement, which is hereby declared.

Ji-Haw Industrial, Co., Ltd.

Chairman: Shi Hao Ji Signature

Presdient: Jess Lin Signature

2. CPA audit report, where a CPA was engaged to carry out a special audit of the internal control system: None.

(X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI) In the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, important resolutions adopted at the shareholders' meeting or board of directors meeting:

1. Important resolutions of the Company's 2023 general shareholders' meeting and their implementation:

Date of Meeting	Important Resolution	Implementation Status
2023.06.20 General Shareholders' Meeting	1. Approved the 2022 business report and financial statements.	Proceeded as resolved.
	2. Approved the proposal for 2022 deficit compensation.	Implemented as resolved and no dividends were distributed.
	3. Approved to amend some provisions of the "Articles of Incorporation".	The registration was approved by the Ministry of Economic Affairs under official letter Jing-Shou-Shang-Zi No. 11230133440 issued on July 13, 2023, and announced on the Company's website.
	4. Approved to amend some provisions of the "Rules of Procedure for Shareholders' Meetings".	Proceeded in accordance with the amended Rules and announced on the Company's website.
	5. Approved the private placement of common stock for cash capital increase.	In progress.
	6. Approved the full re-election of directors.	Announced on the MOPS on 2023.6.29.
	7. Approved the removal of restrictions on competing behaviors of new directors.	Announced on the MOPS on 2023.6.29.

2. Important resolutions of the Board of Directors in 2023 and up to the printing date of this annual report:

Date of Meeting	Important Resolution
First meeting on 2023 March 17, 2023	1. The Company's 2022 business report and financial statements. 2. Change of contract amount for short-term borrowings from Mega International Commercial Bank. 3. Report on the capability of preparing financial statements on the initiative. 4. The company's appointment of the certifying accountant for 2023, and the assessment of their independence and service fees. 5. The policy for the pre-approval of non-assurance services provided by the company's accounting firm, and the non-assurance services provided by the accounting firm for this year.

Date of Meeting	Important Resolution
Second meeting in 2023 on March 29, 2023	1. Statement on the self-assessment results of the internal control system. 2. Proposal for the distribution of 2022 employees' and directors'/supervisors' remuneration. 3. Proposal for 2022 loss appropriation. 4. Amendment to the "Articles of Incorporation". 5. Amendment to the "Rules of Procedure for Shareholder Meetings" 6. Matters related to the convening of the 2023 annual general meeting of the Company.
Third meeting in 2023 on April 12, 2023	1. By-election of directors 2. Amendment of matters related to the convening of the 2023 annual general meeting of the Company.
Fourth meeting in 2023 on May 8, 2023	1. Amendment to the "Articles of Incorporation". 2. Nomination of candidates for directors (including independent directors). 3. Removal of restrictions on competitive behavior of new directors and their representatives. 4. Proposed case for a private placement of common stock through a cash capital increase. 5. Amendment to the agenda for the 2023 Annual Shareholders' Meeting of the company.
Fifth meeting in 2023 on May 12, 2023	1. Consolidated financial statements for the first quarter of 2023. 2. Report on the capability of preparing financial statements on the initiative.
Sixth meeting in 2023 on June 12, 2023	1. Proposal to establish a subsidiary in Vietnam. 2. Amendment to parts of the "Opinion on the Reasonableness of the Private Placement Common Stock Price" document. 3. Appointment of Corporate Governance Officer. 4. Appointment of the Company's spokesperson and acting spokesperson. 5. Assignment of financial officer and accounting officer.
Seventh meeting in 2023 on June 29, 2023	1. Re-election of the Chairman. 2. Appointment of Audit Committee members and election of the convener.
Eighth meeting in 2023 on July 19, 2023	1. Convening of the appointment and election of the Remuneration Committee. 2. Amendment to the Company's personnel organization chart and department head. 3. Appointment of senior managers of the company. 4. Amendment to certain clauses of the company's "Internal Control System."
Ninth meeting in 2023 on August 10, 2023	1. Consolidated financial statements for the second quarter of 2023. 2. Determination of the remuneration of the Company's current directors (including independent directors). 3. Transportation Expenses for Directors and Functional Committee Members to Attend Shareholders Meeting, Board Meeting, Audit Committee or Remuneration Committee. 4. Remuneration to the new managerial officers of the Company.
Tenth meeting in 2023 on August 30, 2023	1. The company's proposed acquisition of 100% of the shares of CHINTEK INC.. 2. The case for the continued operation of Ji-Haw Electronics (Kunshan) Co., Ltd., a wholly-owned subsidiary of the company in Mainland China. 5. Proposed change of the company's stock affairs agency.
Eleventh meeting in 2023 on September 28, 2023	1. The company plans to sign a financing credit limit case with Mega International Commercial Bank.

Date of Meeting	Important Resolution
Twelfth meeting in 2023 on November 8, 2023	1. Consolidated financial statements for the third quarter of 2023. 2. Revision to parts of the company's "Procedures for Acquisition or Disposal of Assets" document. 3. Amendment to certain clauses of the company's "Internal Control System." 4. New reinvestment projects by the company. 5. New reinvestment projects by the company. 6. To diversify the company's business, a proposed reinvestment in CERMAX Co., Ltd. 7. Proposal to sign a financing credit line with Hwatai Bank. 8. Proposal to authorize the chairman of the board to make endorsements and guarantees within the approved limits. 9. Approval of the Company's "Directors, Supervisors and Key Employees Liability Insurance."
Thirteenth meeting in 2023 on December 8, 2023	1. The company's operational plan for the year 2024. 2. The company's own land in Xindian District, New Taipei City, application for self-conducted urban renewal project plan. 3. The company's new initiative to establish a reinvestment start-up company. 4. The Company's internal audit plan for 2024. 5. Proposal to establish the "Regulations Governing the Remuneration of Directors, Functional Committee Members and Managers". 6. Proposal to establish the Company's "Measures for the Management of Performance Appraisal".

(XII) For the most recent fiscal year and up to the date of the annual report publication, any directors or supervisors who disagreed with major resolutions passed by the board of directors and who have recorded or issued written statements, the main content is: none.

(XIII) For the most recent fiscal the year and up to the date of the annual report publication, a summary of resignations and dismissals involving the company's Chairman, General Manager, Chief Accountant, Chief Financial Officer, Internal Audit Officer, Corporate Governance Officer, and Research and Development Director:

April 30, 2024

Title	Name	Date of appointment	Date of dismissal	Reason for resignation or dismissal
Chairman	Lin Wen-Hwang	2001.05.22	2023.06.29	Complete director re-election and dismissal at the shareholders' meeting on June 29, 2023.
President	Wu Chia-Shin	2006.09.01	2023.03.13	Retirement
Finance and Accounting Officer	Judy Chu	1996.07.01	2023.06.12	Job adjustment

V. Public Fees of CPAs

(I) CPA professional fees

Amount unit: NT$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fees (Note 1)	Total	Remarks
Deloitte Taiwan	Huang Yao-Lin Chou Shih Chieh	January 1, 2023, to December 31, 2023	3,305	400	3,705	None

Note 1: Non-audit fees include services such as the settlement of corporate income tax returns.

(I) In cases where the accounting firm is changed and the audit fees paid in the year of change are less than the audit fees of the previous year, the amounts of audit fees before and after the change and the reasons should be disclosed: There are no such cases.

(II) If the audit fees decrease by more than ten percent compared to the previous year, the amount of decrease, the percentage, and the reasons should be disclosed: There are no such cases.

VI. Information on replacement of CPAs: Please refer to Page.106.

VII. Where the company's chairman, president, or any company officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.

No such situation .

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

(I) Changes in the shareholdings of directors, managers and shareholders holding more than 10% of the shares:

Title	Name	2023		As of April 30, 2024	
		Increase (decrease) in shareholding	Increase (decrease) in pledged shares	Increase (decrease) in shareholding	Increase (decrease) in pledged shares
Chairman	Hao-Ji Shi	0	0	0	0
Director	He Chao-Yang	60,000	0	60,000	0
Director	Zeng Bai Hu	0	0	0	0
Director	Guo Chen	0	0	Not applicable	Not applicable
Independent director	Lu Guan Wen (Note1)	0	0	Not applicable	Not applicable
Independent director	Wang En Guo	0	0	0	0
Independent director	Gong Xin Jie	0	0	0	0
General Manager	Jess Lin	0	0	0	0
Vice President	Simon Wu	0	0	0	0
Vice President	Chen Wen Wei	9,000	0	9,000	0
Vice President	Simon Wu	0	0	0	0
Vice President	Tsai Chao Chuan	0	0	0	0
Chief Strategy Officer of AI Business	Wu Yu Shui	Not applicable	Not applicable	0	0
Chief Procurement Officer	Chen Ming Cheng	Not applicable	Not applicable	23,000	0
Accounting Officer and Corporate Governance Officer	Chen Po Rong	0	0	0	0

Note 1. Independent Director Lu Guanwen took office following the comprehensive re-election at the Annual General Meeting of Shareholders on June 29, 2023, and resigned on December 29, 2023.

(II) Relative parties to the transfer of equity involving directors, managers, and shareholders who hold more than ten percent of the shares: none.

(III) Relative parties to the pledge of equity involving directors, managers, and shareholders who hold more than ten percent of the shares: none.

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

Unit: shares; April 30, 2024

Name	Number of shares held		Shareholding of Spouses and Minor Children		Total number of shares held in the name of others		Top ten shareholders who are related parties or are spouses or relatives within the second degree of kinship, including their names or personal names and relationships.		Remarks
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name (or name)	Relationship	
Chen Li Chue	4,656,000	4.13%	0	0.00%	0	0.00%	None	None	None
Hou Chia-Chang	3,697,000	3.28%	0	0.00%	0	0.00%	None	None	None
Lin Wen-Hwang	3,261,901	2.89%	0	0.00%	0	0.00%	None	None	None
Chen Li Heng	2,813,000	2.50%	0	0.00%	0	0.00%	None	None	None
Chang Pao Ming	1,835,000	1.63%	0	0.00%	0	0.00%	None	None	None
Wang Qing dong	1,800,000	1.60%	0	0.00%	0	0.00%	None	None	None
WETRUST TECHNOLOGY CO., LTD.	1,633,000	1.45%	0	0.00%	0	0.00%	None	None	None
Cho Hui-Wen	1,508,000	1.34%	0	0.00%	0	0.00%	None	None	None
Chen Jin Tian	1,451,000	1.29%	0	0.00%	0	0.00%	None	None	None
HSBC (Taiwan) Commercial Bank Co., Ltd.	1,108,000	0.98%	0	0.00%	0	0.00%	None	None	None

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

Unit: shares; March 31, 2024

Reinvested business (Note 1)	The Company's investment		Directors, managerial officers, and investments in businesses directly or indirectly controlled by directors, managers, and directors		Comprehensive investment	
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio
J.B.T Industrial Co., Ltd.（J.B.T）	18,600,000	100%	-	-	18,600,000	100%
Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K)	Note 2	100%	-	-	Note 2	100%
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Note 2	40.48%	Note 2	59.52%	Note 2	100%
Chuzhou Dingwang Investment Development Co., Ltd.	-	-	Note 2	39%	Note 2	39%
Ji-Haw Investment Co., Ltd. (J.H.I.)	300,000	100%	-	-	300,000	100%
JI-HAW TECHNOLOGY VN CO., LTD （J.H.V）	Note 2	100%	-	-	Note 2	100%
CHINTEK INC.	1,600,000	100%	-	-	1,600,000	100%
CERMAX CO., LTD.	1,250,000	20.01%	-	-	1,250,000	20.01%
Yongxian Think Tank Co., Ltd.	1,000,000	66.67%	-	-	1,000,000	66.67%
HFS Technology	1,000,000	100%	-	-	1,000,000	100%
Jin-Zuan Semiconductor Investment Co., Ltd.	4,000,000	24.24%	-	-	4,000,000	24.24%
Shanyi Investment Co., Ltd.	-	-	15,000,000	100%	15,000,000	100%
Silicon Test Tech. Corp.	780,000	51.03%	-	-	780,000	51.03%
Jern Yao Enterprises	-	-	100,000	100%	100,000	100%

Note 1: Investment under equity method.

Note 2: No shares as it is a limited company.

Four. Fundraising Status

I. Company capital and shares

(I) Source of share capital:

Unit: NT$ thousand/shares

Year/ month	Issue price	Authorized share capital		Paid-up capital		Remarks				
						Source of share capital			Offset by any property other than cash	Others
		No. of shares	Amount	No. of shares	Amount	Treasury stock.	Earnings	Total		
2006.09	10	135,000,000	1,350,000	113,657,220	1,136,572	(18,000)	69,568	51,568	None	Note 1
2007.08	10	135,000,000	1,350,000	119,166,251	1,191,662	-	55,090	55,090	None	Note 2
2008.10	10	135,000,000	1,350,000	115,912,251	1,159,122	(32,540)	-	(32,540)	None	Note 3
2009.07	10	135,000,000	1,350,000	112,719,251	1,127,193	(31,930)	-	(31,930)	None	Note 4
2024.04	10	135,000,000	1,350,000	112,719,251	1,127,193	-	-	-	None	None
2024.07	10	180,000,000	1,800,000	112,719,251	1,127,193	-	-	-	None	Note 5

Note 1: Capital increase of NTD69,567,910 and cancellation of treasury stock of NTD18,000,000 were approved by Jing-Shou-Xhang-Zi No.09501205050.

Note 2: Capital increase of NTD55,090,310 was approved by Jing-Shou-Xhang-Zi No.09601205030.

Note 3: Treasury stock of NTD32,540,000 was approved by Jing-Shou-Xhang-Zi No.09801159490.

Note 4: Treasury stock of NTD31,930,000 was approved by Jing-Shou-Xhang-Zi No.09801159490.

Note 5: Increase total approved capital by $450,000,000 was approved by Jing-Shou-Xhang-Zi No.11230133440.

April 30, 2024

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	112,719,251 shares	67,280,749 shares	180,000,000 shares	Listed stocks

Information related to blanket reporting system : Not applicable.

(II) Shareholder structure

Unit: Person; Share; April 30, 2024

Shareholder structure / Number	Government agency	Financial institution	Other legal entities	Individual	Foreign institutions and foreigners	Total
Number of people	0	1	164	25872	39	26,076
Number of shares held	0	225,000	2,325,574	107,812,492	2,356,185	112,719,251
Shareholding ratio	0.00%	0.20%	2.06%	95.65%	2.09%	100.00%

(III) Dispersion of equity ownership

Unit: Person; Share; April 30, 2024

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
1 - 999	18,463	451,136	0.40%
1,000 - 5,000	5,139	11,243,054	9.97%
5,001 - 10,000	1,096	8,953,317	7.94%
10,001 - 15,000	386	5,023,240	4.46%
15,001 - 20,000	262	4,903,136	4.35%
20,001 - 30,000	231	5,896,608	5.23%
30,001 - 40,000	127	4,523,011	4.01%
40,001 - 50,000	72	3,359,020	2.98%
50,001 - 100,000	152	10,942,934	9.71%
100,001 - 200,000	81	11,508,057	10.21%
200,001 - 400,000	40	11,108,802	9.86%
400,001 - 600,000	7	3,357,923	2.98%
600,001 - 800,000	8	5,613,000	4.98%
800,001 - 1,000,000	0	0	0.00%
Over 1,000,001	12	25,836,013	22.92%
Total	26,076	112,719,251	100.00%

(IV) List of Major Shareholders

Unit: shares; April 30, 2024

Shares / Name of The Major Shareholder	Number of shares held	Shareholding ratio
Chen Li Chue	4,656,000	4.13%
Hou Chia-Chang	3,697,000	3.28%
Lin Wen-Hwang	3,261,901	2.89%
Chen Li Heng	2,813,000	2.50%
Chang Pao Ming	1,835,000	1.63%
Wang Qing dong	1,800,000	1.60%
WETRUST TECHNOLOGY CO., LTD.	1,633,000	1.45%
Cho Hui-Wen	1,508,000	1.34%
Chen Jin Tian	1,451,000	1.29%
HSBC (Taiwan) Commercial Bank Co., Ltd.	1,108,000	0.98%

(V) Information on Market Price, Net Worth, Earnings, Dividends and Related Information per Share for the Recent Two Years

Unit: Thousand shares; NTD

Item			2022	2023	As of March 31, 2024
Market price per share	Highest		24.30	16.85	35.2
	Lowest		9.68	42.40	28.8
	Average		16.45	30.18	31.17
Net Value Per Share	Before distribution		9.05	7.79	7.98
	After distribution		-	-	-
Earnings per share	Weighted average number of shares		112,719	112,719	112,719
	Earnings per share		(0.12)	(1.17)	(0.31)
Dividend per share	Cash dividends		0.00	0.00	0.00
	Stock grants	Stock dividends from retained earnings	-	-	-
		Stock dividends from capital surplus	-	-	-
	Accumulated unpaid dividends		-	-	-
Return on investment analysis	P/E ratio (Note 1)		-	-	-
	P/D ratio (Note 2)		-	-	-
	Cash dividend yield (Note 3)		-	-	-

Note 1: P/E ratio = Average closing price per share for the year/Earnings per share.

Note 2: P/D ratio = average closing price per share for the year/cash dividends per share.

Note 3: Cash dividend yield = cash dividends per share/average closing price per share for the year.

Note 4: The 2023 deficit compensation plan was approved by the board of directors on March 13, 2024, and is pending for resolution by the shareholders' meeting.

(VI) Company's dividend policy and implementation

1. Dividend policy stipulated in the Articles of Incorporation:

If the Company makes a profit for the year, 3% - 15% should be appropriated as employee remuneration and 1% - 5% as directors' remuneration. However, if the Company still has accumulated losses, it should first set aside an amount to cover losses.

Remuneration to employees in the preceding paragraph distributed in shares or cash must be employees of control or subordinate companies who meet certain criteria. The criteria are authorized to the Board of Directors for determination.

If there is a profit for the year, the Company shall first pay taxes and cover previous losses, then 10% of the net profit after tax shall be set aside as legal reserve, except for when the accumulated legal reserve has reached the Company's total paid-in capital. Special reserve may be set aside or reversed as required by the Company's operating needs or the law or regulations. Any balance thereof still available shall, the

Board of Directors shall allocate 10% to 100% of the undistributed earnings and prepare an earnings distribution proposal to be submitted to the shareholders' meeting for ratification.

The cash dividends shall not be less than 30% of the total dividends. however, if the cash dividends are less than NT$0.1 per share, dividends may be distributed in the form of shares. The rates for earnings distribution are adjusted by resolution of the shareholders meeting depending on the actual profit of the year, capital budget and the Company's state of capital.

When the said earnings distribution is made in the form of cash dividends, the Board of Directors is authorized to reach resolution and to report to the shareholders' meeting.

2. Dividend distribution proposed at the shareholders' meeting: The Company's 2023 deficit compensation proposal was approved by the Board of Directors on March 13, 2024, and no dividend is proposed.

3. Expected material change in dividend policy: No such situation.

(VII) The impact of the stock dividend as proposed in the current shareholders' meeting on the Company's operating performance and earnings per share:

The Company made a loss in 2023, and no dividend is proposed. This has no impact on the Company's operating performance and earnings per share .

(VIII) Remuneration to employees, directors, and supervisors:

1. The percentage or range of employees'/directors'/supervisors' remuneration stated in the Articles of Incorporation:

   If the Company makes a profit in the year, 3% - 15% of the profit should be appropriated as remuneration to employees and 1% - 5% as remuneration to directors. However, if the Company still has accumulated losses, it should first set aside an amount to cover losses.

   Remuneration to employees in the preceding paragraph distributed in shares or cash must be employees of control or subordinate companies who meet certain criteria. The criteria are authorized to the Board of Directors for determination.

2. Estimation basis for the amount of compensation for employees, directors, and supervisors for the current period, basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment if the actual distributed amount differs from the estimated amount: there are no such cases.

3. Board of directors' approval of compensation distribution:

   (1) Amount of employee compensation and compensation for directors and supervisors distributed in cash or stock:

   As there is a net loss before taxes for the current period, there is no plan to distribute compensation to employees and directors/supervisor.

   (2) Amount of employee compensation distributed in stock and the ratio to the net profit after tax of the current period's individual or standalone financial statements and the total employee compensation: not applicable**.**

4. Actual distribution of compensation to employees, directors, and supervisors in the previous year (including the number of shares distributed, the amount, and the share price), and differences from the recognized compensation should also state the

difference, reasons, and handling:

The company had a net loss before taxes in 2023, therefore no employee bonuses or director compensation were distributed, consistent with the board of directors' decision on March 13, 2024.

(IX) Company's repurchase of its own shares: none.

II. Issuance of corporate bonds

None.

III. Preferred shares

None.

IV. Global depository receipts

None.

V. Employee share subscription warrants

None.

VI. Issuance of new restricted employee shares

None.

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

(I) For the most recent fiscal year and up to the date of the annual report publication, completed mergers or acquisitions, or the transfer of other companies' shares resulting in the issuance of new shares should disclose the following:

1. The latest quarterly evaluation opinion issued by the lead securities underwriter for the mergers or acquisitions and the transfer of other companies' shares resulting in the issuance of new shares: not applicable.
2. For companies not covered by the previous clause, the implementation status for the latest quarter should be disclosed. If the progress or benefits have not met the expected targets, the impact on shareholders' equity and the improvement plans should be specified: not applicable.

(II) For the most recent fiscal year and up to the date of the annual report publication, the execution status and basic information of the companies that have been merged or whose shares have been transferred after approval by the board of directors should be disclosed:

<u>**Basic information of the acquired and transferred company**</u>

Unit: NTD thousands;

<table>
<tr><td colspan="2">Company name</td><td>CHINTEK INC.</td></tr>
<tr><td colspan="2">Company address</td><td>8F-1, No. 198, Jingji 2nd Rd., Nangang Dist., Taipei City</td></tr>
<tr><td colspan="2">Responsible person</td><td>Hao-Ji Shi</td></tr>
<tr><td colspan="2">Paid-in capital</td><td>16,000</td></tr>
<tr><td colspan="2">Main Business Activities</td><td>Development and sales of automotive electronics and other software products</td></tr>
<tr><td colspan="2">Main Products</td><td>Automotive electronics and other software products</td></tr>
<tr><td rowspan="8">Financial information for the most recent year</td><td>Total assets</td><td>28,097</td></tr>
<tr><td>Total liabilities</td><td>35,682</td></tr>
<tr><td>Total equity of shareholders</td><td>(7,585)</td></tr>
<tr><td>Operating income</td><td>43,255</td></tr>
<tr><td>Gross profit</td><td>8,796</td></tr>
<tr><td>Operating profit and loss</td><td>(19,664)</td></tr>
<tr><td>Current profit and loss</td><td>(18,979)</td></tr>
<tr><td>Earnings per share</td><td>Not applicable (Note)</td></tr>
</table>

Note: Not applicable to non-public companies

VIII. Implementation of Capital Utilization Plan

As of the previous quarter of the publication date of the annual report, the content of the plan and execution status of the previous securities issuance or private placement that have not been completed or have been completed in the past three years and have not yet shown the benefits of the plan: None

Five. Operational overview

I. Description of the business

(I) Scope of business

1. Principal business activities:

01. B202010 Non-metallic Mining.
02. C801110 Fertilizer Manufacturing.
03. C802070 Agro-pesticides Manufacture.
04. C802100 Cosmetics Manufacturing.
05. C802990 Other chemical products manufacturing.
06. C901010 Ceramics and Ceramic Products Manufacturing.
07. CC01020 Electric Wires and Cables Manufacturing.
08. CC01080 Electronic Components Manufacturing.
09. CC01110 Computer and Peripheral Equipment Manufacturing.
10. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing.
11. F106030 Wholesale of Molds.
12. F107050 Wholesale of Fertilizers.
13. F108011 Wholesale of Traditional Chinese Medicine.
14. F108021 Wholesale of Western Medicines.
15. F108031 Wholesale of Medical Devices.
16. F108040 Wholesale of Cosmetics.
17. F199990 Other Wholesale.
18. F207050 Retail Sale of Fertilizer.
19. F208040 Retail Sale of Cosmetics.
20. F299990 Other Retail Sale.
21. F119010 Wholesale of Electronic Materials.
22. F206030 Retail Sale of Molds.
23. F219010 Retail Sale of Electronic Materials.
24. F118010 Wholesale of Information Software.
25. F218010 Retail Sale of Information Software.
26. F213030 Retail sale of Computers and Business Machines.
27. F113050 Wholesale of Computers and Clerical Machinery Equipment.
28. F399040 Retail trade without storefront.
29. F401010 International Trade.
30. I301010 Information Software Services.
31. I301020 Information Processing Services.
32. I301030 Electronic Information Supply Services.

33. I199990 Other Consulting Services.

34. IG01010 Biotechnology Services.

35. IZ99990 Other Industrial and Commercial Services.

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

2. Weight of business:

Product	Weighting (%)
Connectors & cables	96
Others	4

3. The Company's current products:

A. Wire and cable processing and manufacturing of wire and circuit boards.

B. Precision electronic sockets, connectors and related components.

C. Molds, injection molding, stamping parts and other electronic parts for electronic components.

D. Various cable assemblies for signal transmission and various cables.

E. Applications for automotive wire and cable assemblies, automotive sensor wire assemblies, and other wire and cable assemblies.

F. Flexible flat cable and ultra-thin coaxial cable for NB/TV/monitor.

G. Face recognition machine

H. One-stop AI solution for all fields

4. New products planned for development:

Although the connector industry is traditional, there is always demand. Today and in the future, product R&D will focus on high-frequency, high-speed and high-precision connection products. Ji-Haw Industrial, Co., Ltd. will primarily focus on connectors and assembly components, gradually providing various technical solutions required for manufacturing processes to meet the demands of future technology and consumer lifestyle applications, bringing more possibilities.

With the continuous innovation of high-frequency 3C products, Type-C has become the mainstream connection standard in the market. As laptops trend towards being lighter and slimmer with fewer ports, the demand for Type-C has become more urgent. In addition to high-speed data transmission and audio/video output capabilities, Type-C has also seen significant improvements in power support.

Ji-Haw's product design will focus on being compact, short, and feature-rich. At the same time, we have considered designs that are more suitable for mass production, assembly, and low cost.

As global applications in servers, electric vehicles, and industrial control continue to expand, and given the high barriers and long production cycles in the automotive supply chain, automotive has become one of the main drivers of steady revenue growth in the connector industry in recent years. Ji-Haw will collaborate with well-known main system suppliers abroad to develop and gradually introduce our products into various factories and vehicle types, with significant production volume anticipated.

With Ji-Haw's "Connecting AI," we aim to help clients enter and engage with the AI industry, establishing close ties with it. As an enterprise integrating both software and hardware, our mission is "Connecting AI"; we cover a diverse range of services from design, manufacturing, production, to sales, providing clients with comprehensive AI solutions across all domains.

(II) Industry Overview

1. Current and Future Developments in the Industry:

Connector products broadly refer to all components used in electronic products for signal and power connections, including related wires, sockets, and plugs. These are broadly classified as connectors, which are detachable or replaceable interconnect components that link the circuits, modules, and systems within electronic products. They also serve as bridges between all signals. The quality of these connectors can affect the reliability of current and signal transmission and thereby impact the operation of the entire electronic device. Hence, the circuit design of connectors must achieve high sensitivity.

The global market for industrial connectors is expected to expand at a compound annual growth rate of 6.8% from 2023 to 2028, reaching $8.7 billion by 2028, primarily due to their wider application in fields such as industrial automation and robotics, among other advanced technologies.

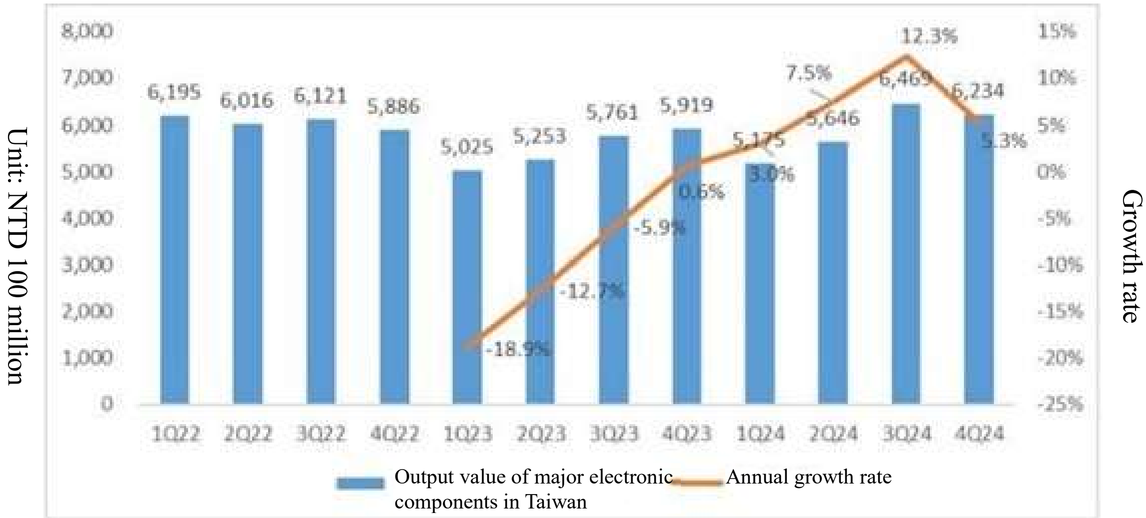
AIoT has become a trend, and with the continual innovation of high-frequency 3C products, Type-C is now the mainstream in the market. As laptops evolve towards being lighter and having fewer ports, there is a need for Type-C to be simpler, lighter, smaller, and easier to use. Moreover, remote video conferencing and working from home are becoming the norm, driving new demands for laptops and tablets, which in turn greatly increases the penetration rate of the new generation of Type-C. In the second half of 2023, the newly released iPhone 15 series updated to Type-C, and it is anticipated that in the future, Apple's Type-C cables may be compatible with other devices. However, transfer and charging speeds may vary depending on the device.

With the explosive popularity of ChatGPT, AI has become one of the hottest topics globally. Additionally, domains like 5G, electric vehicles, autonomous vehicles, and the metaverse will continue to drive the expansion needs of data centers and server markets. Major processor manufacturers such as Intel and AMD have already begun to fully support the USB4 high-speed transmission application market, with Apple also joining the ranks in supporting the USB4 specifications. Moreover, the European Union has announced that by 2024, devices such as smartphones, tablets, and digital cameras will uniformly adopt the USB Type-C specification for charging connectors, potentially making Type-C + USB4.0 transmission cables the new standard in 3C electronics.

In 2023, the consumer electronics industry was weakened due to impacts from the U.S. Federal Reserve's aggressive rate hikes and the clearing of end-stock inventory. With the rise of generative AI, inventory adjustments nearing completion, and the Fed's rate hike cycle concluding, plus the rapid climb of AI servers and ongoing global demand for electric vehicles, there has been a drive for high-speed data transmission interfaces and cables capable of high current and voltage transmission. Specifically, industries like electric vehicles, aerospace, green energy, and industrial applications continued to grow in 2023, with expectations for the second half of 2024 to be better than the first, which will stimulate growth in the connector sector during the economic recovery.

The demand for connectors is perpetual, especially with AI applications' need for high-speed data transmission. Components such as high-speed transmission chips, transmission interface connectors, memory, and cooling modules will all undergo specification upgrades, indicating the arrival of new business opportunities. The end-market demand is expected to recover starting from the second quarter of 2024.

Analysis of the scale and trend of the electronic components industry



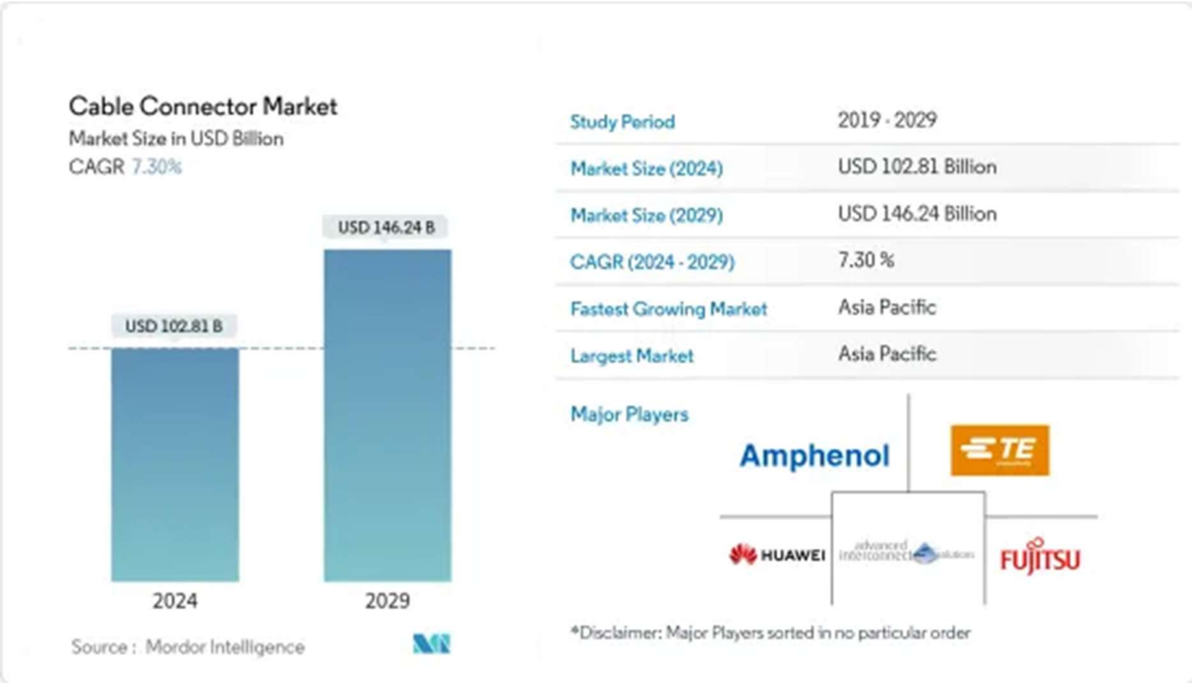
Looking ahead to 2024, there are still many uncertain factors affecting the global industry landscape, and even major end electronic products are not expected to see significant growth in shipments. Fortunately, during many generational transitions of these end products, the quantity and price of the electronic components contained within are also expected to grow, which means the production value of electronic components is likely to break free from the sluggish atmosphere of the past two years.

Taiwan's electronic components industry faced a continuous decline for two years, with an estimated growth rate of -9.3% in 2023. However, it is expected to experience a U-shaped recovery in 2024, with a growth of 7.1%, bringing the production value back up to 2.35 trillion New Taiwan Dollars.

In 2023, factors such as weak demand for electronic end products, unexpected inventory adjustments, and a sluggish Chinese economy led to poor performance across various component industries in Taiwan, including circuit boards, passive components, display panels, sensors, energy components, and LED components, potentially facing a dilemma of a consecutive two-year decline in the total production value of these six major electronic components. Looking forward to 2024, as industry inventories gradually reach safe levels, key markets such as mobile phones, computers, and semiconductors are expected to enter a recovery phase. The capacity utilization rate of component manufacturers is expected to gradually rise to over 90%, driving a U-shaped recovery in the industry.

As the functionalities of end electronic products are upgraded, the specification requirements and the number of individual components needed per device are also increasing. Consequently, the value of electronic components within a single electronic product is rising. For instance, the value of a circuit board including a carrier board in an AI server, which continues to see growing shipments, is approximately 6 to 8 times that of a typical server, and the value of passive component inductors is about 10 times that of a typical server. Additionally, the penetration rates of high-end components such as periscope lenses, Micro LED displays, and high-frequency quartz components in smartphones and mobile wearable devices are rapidly increasing. This not only represents emerging market opportunities for manufacturers but also poses challenges in advanced manufacturing technologies.

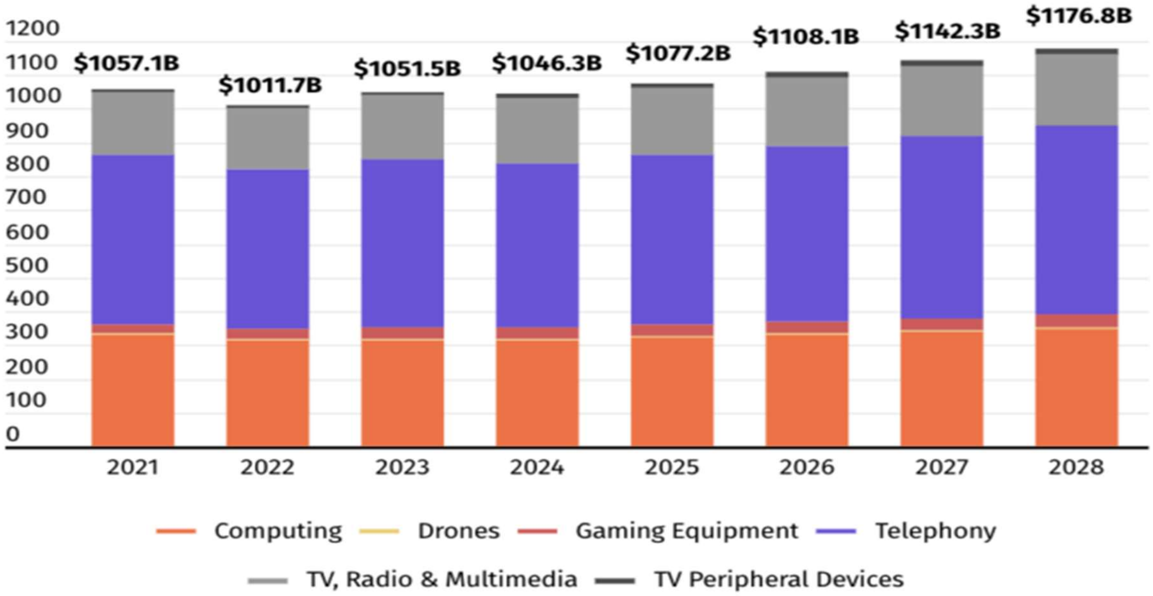
Taiwan's electronic component industry has historically maintained a global leadership position due to its production management and technical advantages. As competition for technical level, investment scale, and cross-sector integration intensifies in the future, strategies of alliances and mergers and acquisitions will continue to occur to ensure manufacturers' competitiveness in new technologies, new customers, and new application areas.

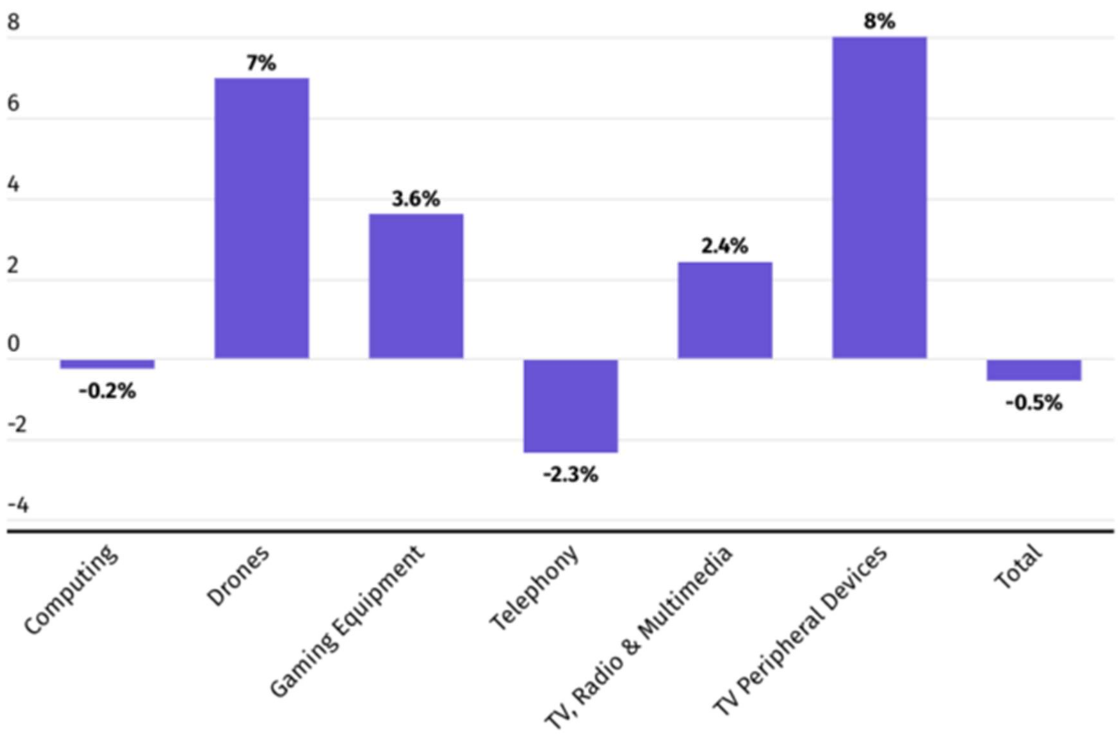


The market size of cable connectors is expected to be $102.81 billion in 2024 and is projected to reach $146.24 billion by 2029, with a compound annual growth rate of 7.30% during the forecast period (2024-2029), indicating expected growth.

The popularity of media and entertainment in emerging economies is growing, along with the spread of the internet, leading to an increase in TV and internet users as well as users of smartphones, PDAs, and tablets. These factors have created a substantial demand for cable connector adapters, without which effective networks cannot be established.

Global device shipment volume





After setting sales records during the pandemic, the global consumer electronics market has faced severe challenges over the past two years. High inflation rates and bleak economic prospects have cut into consumer budgets, significantly altering their spending habits. Many have redirected their reduced disposable income towards travel and leisure activities rather than technology products. This scenario of low demand is expected to continue pushing the market into deficit.

These pessimistic market forecasts for 2024 pose a new burden on the consumer electronics industry, distancing it further from the growth rates seen before the pandemic and during the first year of lockdowns. According to a survey by Statista, revenue this year is expected to decline by $5.3 billion, with smartphone sales, which make up the largest portion of the market, being the primary reason.

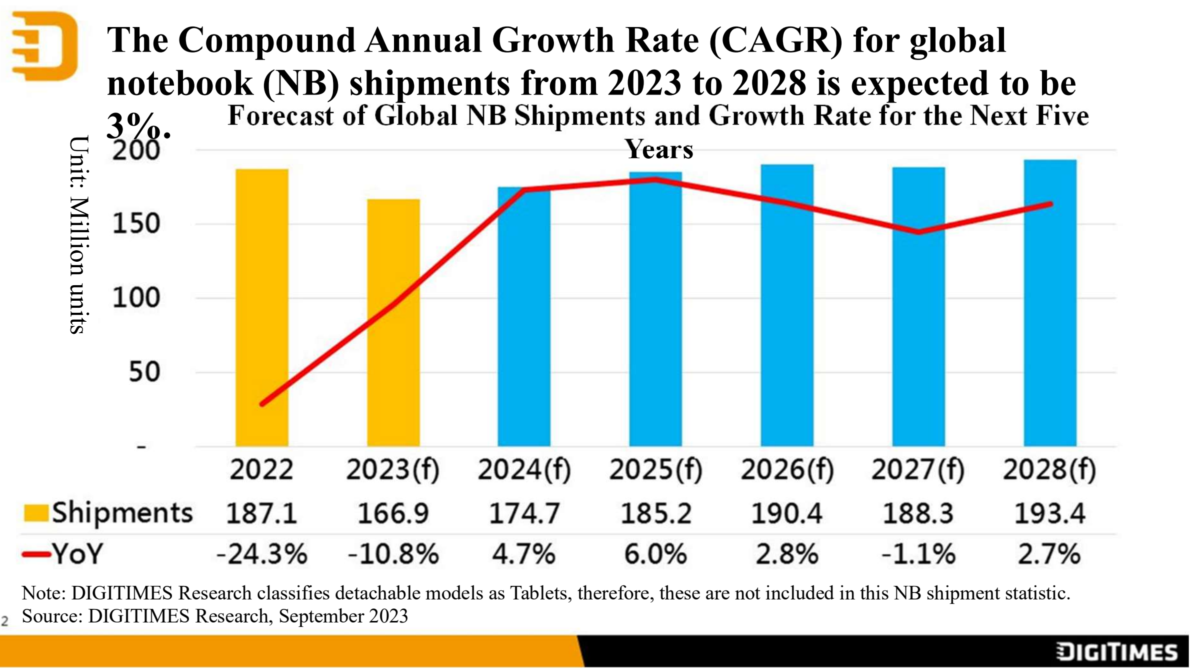
Last year, global consumer spending on smartphones and fixed telephones reached $498 billion, an increase of 5.3% from the previous year. However, Statista forecasts a significant decline in 2024, with global spending on these devices expected to decrease by $11.6 billion to $486.7 billion.

The computer sector, including desktops, laptops, tablets, keyboards, and monitors sales, is expected to witness the second-largest decline. Statista anticipates that consumers will spend about $314 billion on these devices in 2024, which is $5 billion less than last year.

However, all other market segments are expected to grow this year. Under the impact of reduced demand in 2023, global spending on TVs, radios, and multimedia devices (such as digital cameras, headphones, and speakers) is expected to increase by $4.6 billion from last year, reaching $195.1 billion. The gaming equipment market is also expected to grow, with global consumer spending on these devices increasing by $1.2 billion from last year. Revenue for TV peripheral equipment, such as video players, smart remotes, and streaming devices, is projected to reach $12 billion, an increase of $0.9 billion from last year.

Statistical data also indicates that in 2024, 78.3% of global consumer electronics sales will come from physical stores, consistent with last year. Online sales will account for the remaining 21.7%.

Global Laptop Shipments and Growth Rate Changes



After experiencing a sharp decline in both annual and quarterly terms, global laptop shipments in the first quarter of this year have gradually rebounded quarter by quarter. However, research and industry estimates predict that the total global laptop shipments for the year will still likely follow a downward trend, with an annual decrease expected to exceed 10%. In 2024, as inflationary pressures ease, market research is optimistic that global laptop shipments will rebound and return to annual growth.

TrendForce believes that with inventory levels becoming healthier and inflationary pressures expected to stabilize, although the overall consumer environment still lacks momentum, a gradual increase in demand is already visible. Before the market releases further highly optimistic signals, global laptop shipments next year are estimated to grow with an annual increase of 2% to 5%.

DIGITIMES Research Center anticipates that from 2023 to 2028, the annual compound growth rate for global laptop shipments will reach 3%. Next year, aided by easing inflation and the launch of new products, the laptop market is expected to end a two-year period of decline and reverse to an annual growth of 4.7%. It is projected to enter a new cycle of economic expansion in 2025, then accelerate with an annual increase of 6%, marking the highest growth rate in the next five years for global laptop shipments.

According to TrendForce surveys, during the second quarter of this year, there was replenishment of channel inventories in North America and the Asia-Pacific markets, along with advanced stocking for the back-to-school season in the third quarter, boosting demand. Additionally, shipments of Chromebooks peaked just before changes to Google’s licensing fee strategy, pushing overall laptop shipments for that quarter up by 21.6% to 42.52 million units.

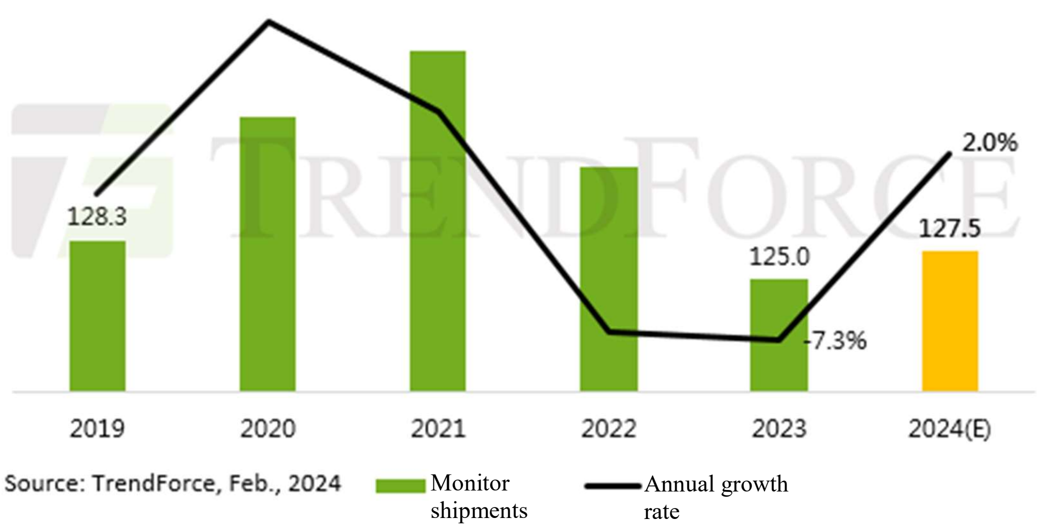
However, with the economic outlook in Europe and America still unclear, this is expected to suppress the traditional seasonal buying momentum in the two major laptop consumer markets, affecting the growth rate of laptop shipments in the third quarter to narrow to 3.8%, reaching 44.13 million units. As for the total annual laptop shipments, they are expected to decrease by 12.2% to 163 million units.

TrendForce points out that compared to the relatively strong replenishment demand in the United States this year, China remains more pessimistic about the overall market development due to a depressed economic and employment environment. In Europe, after two years of demand adjustment, whether the peak season consumer momentum in the second half of the year can recover depends on the degree of improvement in the overall economic environment. As for Southeast Asia, benefiting from a large emerging consumer group, this region has driven a continuous increase in shipments and is expected to promote a slight growth in overall consumer model shipments.

DIGITIMES Research Center estimates that global laptop shipments will rebound to nearly 175 million units next year and further increase to over 185 million units in 2025. However, after the total market volume reaches a breakthrough of 190 million units in 2026, it is expected to slightly contract in 2027 and then rise again in 2028 with an annual growth rate of 2.7%, reaching the next peak of 193 million units.

Global Monitor Shipments and Growth Rate Changes

Chart: Global monitor shipments from 2019 to 2024 (Unit: Million units)



According to TrendForce's latest research, the total global monitor shipments in 2023 decreased by 7.3%, only reaching 125 million units, which is below the pre-pandemic levels. Looking ahead to 2024, since the shipment base in 2023 was low and there is a potential for gradual economic recovery in 2024, coupled with the normal PC replacement cycle of 4-5 years, PCs purchased during the pandemic may be replaced between the second half of 2024 and 2025. This is expected to drive a 2% annual increase in global monitor shipments in 2024, approximately 128 million units.

From a timing perspective, the unmet demand for business orders in North America and Europe from the first half of 2022 continued to ferment, raising the shipment base for business brands in 2022. By 2023, the business market faced a significant contraction, leading to annual decreases in shipments for the three major business monitor brands—Dell, HP, and Lenovo—by 20.4%, 20.7%, and 21.4%, respectively, with declines all exceeding 20%.

Conversely, some consumer brands saw counter-cyclical growth in shipments in 2023. Among them, AOC/Philips mainly benefited from the robust demand in China's gaming market, with an annual increase of 8.8% in shipments. Acer was successful in 2023 in quickly upgrading its 60/75Hz products to 100Hz almost without a price difference, which drove a 6.7% annual increase in shipments.

TrendForce states that for the 2024 monitor brand shipment plans, both business and consumer brands still have conservative shipment targets. Among business brands, Lenovo is the most aggressive, with a growth target of about 20% for the year; consumer brands AOC/Philips, MSI, ASUS, and Acer all have annual shipment growth targets exceeding 10%. Conversely, Samsung Electronics, LG Electronics, and BenQ have set more conservative shipment targets for 2024, focusing on profitability and high-end product lines table Monitor shipment volumes and 2024 shipment targets YoY for various brands

Brand	2023 Shipment YoY	2024 BP YoY
Dell	-20.4%	6.5%
HP	-20.7%	6.9%
AOC/Philips	8.8%	13.6%
Lenovo	-21.4%	20.0%
LGE	-12.6%	3.6%
Acer	6.7%	10.0%
Samsung	-11.8%	2.1%
ASUS	-3.9%	11.4%
Viewsonic	2.2%	2.3%
MSI	5.2%	13.1%
BenQ	-22.8%	2.7%

Source: TrendForce, Feb., 2024

Changes in Shipment Volumes and Growth Rates of the Top Five Global PCs

Q4 2023 Top Five Global PC Shipments, Market Share, and Annual Growth Rate

Top 5 Companies, Worldwide Traditional PC Shipments, Market Share, and Year-Over-Year Growth, Q4 2023 (Preliminary results, shipments are in millions of units)

Company	4Q23 Shipments	4Q23 Market Share	4Q22 Shipments	4Q22 Market Share	4Q23/4Q22 Growth
1. Lenovo	16.1	24.0%	15.5	22.5%	3.9%
2. HP Inc.	13.9	20.8%	13.2	19.2%	5.4%
3. Dell Technologies	9.9	14.8%	10.8	15.7%	-8.2%
4. Apple	5.7	8.5%	7.0	10.1%	-18.4%
5. Asus	4.2	6.3%	4.8	7.0%	-11.9%
Others	17.2	25.7%	17.7	25.6%	-2.4%
Total	**67.1**	**100.0%**	**68.9**	**100.0%**	**-2.7%**

Source: IDC Quarterly Personal Computing Device Tracker, January 10, 2024

2023 Annual Top Five Global PC Shipments, Market Share, and Annual Growth Rate

Top 5 Companies, Worldwide Traditional PC Shipments, Market Share, and Year-Over-Year Growth, Calendar Year 2023 (Preliminary results, shipments are in millions of units)

Company	2023 Shipments	2023 Market Share	2022 Shipments	2022 Market Share	2023/2022 Growth
1. Lenovo	59.0	22.7%	68.0	22.6%	-13.2%
2. HP Inc.	52.9	20.4%	55.3	18.3%	-4.3%
3. Dell Technologies	40.0	15.4%	49.8	16.5%	-19.6%
4. Apple	21.7	8.4%	27.9	9.3%	-22.4%
5. Asus	16.8	6.5%	20.5	6.8%	-18.1%
Others	69.1	26.6%	79.9	26.5%	-13.6%
Total	**259.5**	**100.0%**	**301.5**	**100.0%**	**-13.9%**

Source: IDC Quarterly Personal Computing Device Tracker, January 10, 2024

According to the latest statistics released by IDC, the global shipment of traditional personal computers (PCs) in the fourth quarter of 2023 slightly exceeded expectations, with a year-on-year decrease of 2.7% to 67.1 million units.

IDC notes that this marks the eighth consecutive quarter of year-on-year declines in PC shipments, also setting the lowest mark for the same period since 2006. Fortunately, the PC market's downturn seems to have bottomed out, and growth is expected in 2024.

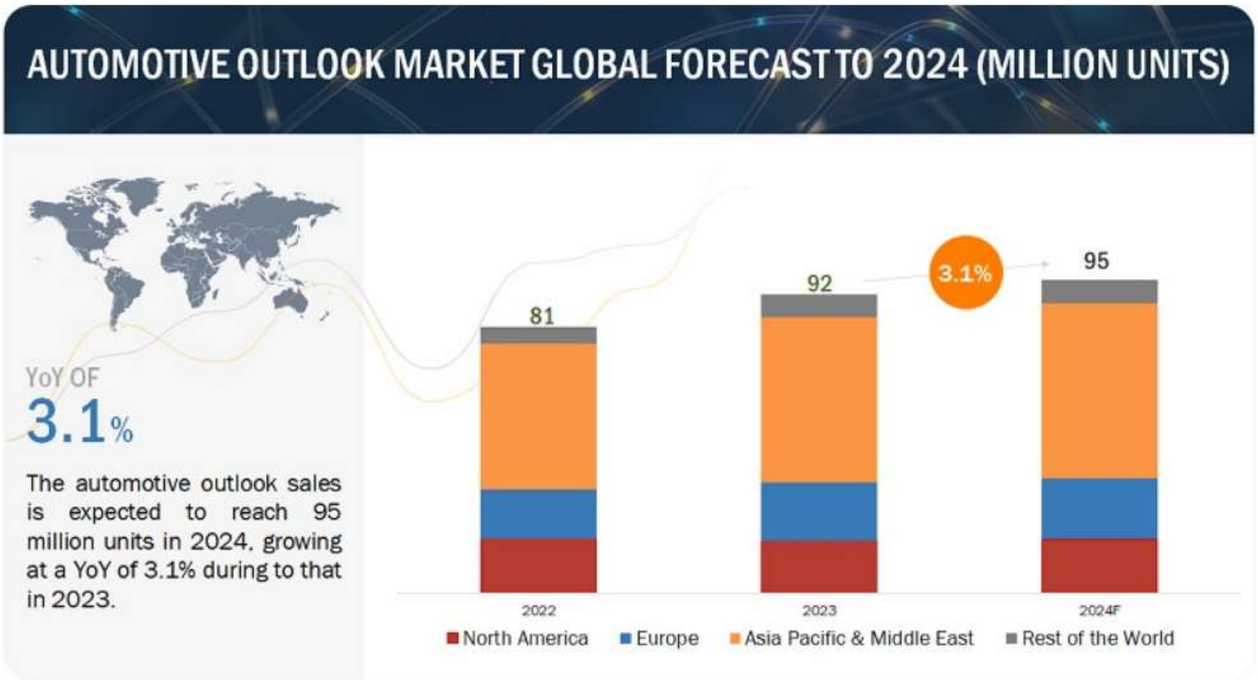
The global PC market has experienced an unprecedented continuous decline, in stark contrast to the historical trend since 1995: a 16.5% year-on-year reduction in global PC shipments in 2022 and an early estimate of a 13.9% decrease for 2023.

Ryan Reith, Vice President of IDC's Mobility and Consumer Device Trackers, stated that although PC shipments contracted again in 2023, he anticipates significant positive momentum in the future. He mentioned that while artificial intelligence (AI) has captured everyone's attention, 2024 will undoubtedly see a strong wave of commercial PC replacements, and the promotion of gaming PCs will continue to generate buzz.

According to IDC's definition, traditional PCs include desktops, laptops, and workstations, but not tablets or x86 servers; shipments include those to distributors or end-users.

According to IDC's data, the top five global traditional PC shipment market share leaders in the fourth quarter of 2023 were Lenovo, HP Inc., Dell Technologies, Apple, and Asus. Among these, Lenovo and HP saw their shipments increase by 3.9% and 5.4%, respectively, in the fourth quarter. Apple's shipments decreased by 18.4%, the largest decline among them.

Changes in Global Automotive Shipments and Growth Rates



The global automotive market is expected to achieve a combined sales total of 92 million passenger and commercial vehicles in 2023, with an anticipated increase to 95 million vehicles in 2024, representing an annual growth rate of 3.1% from 2023 to 2024.

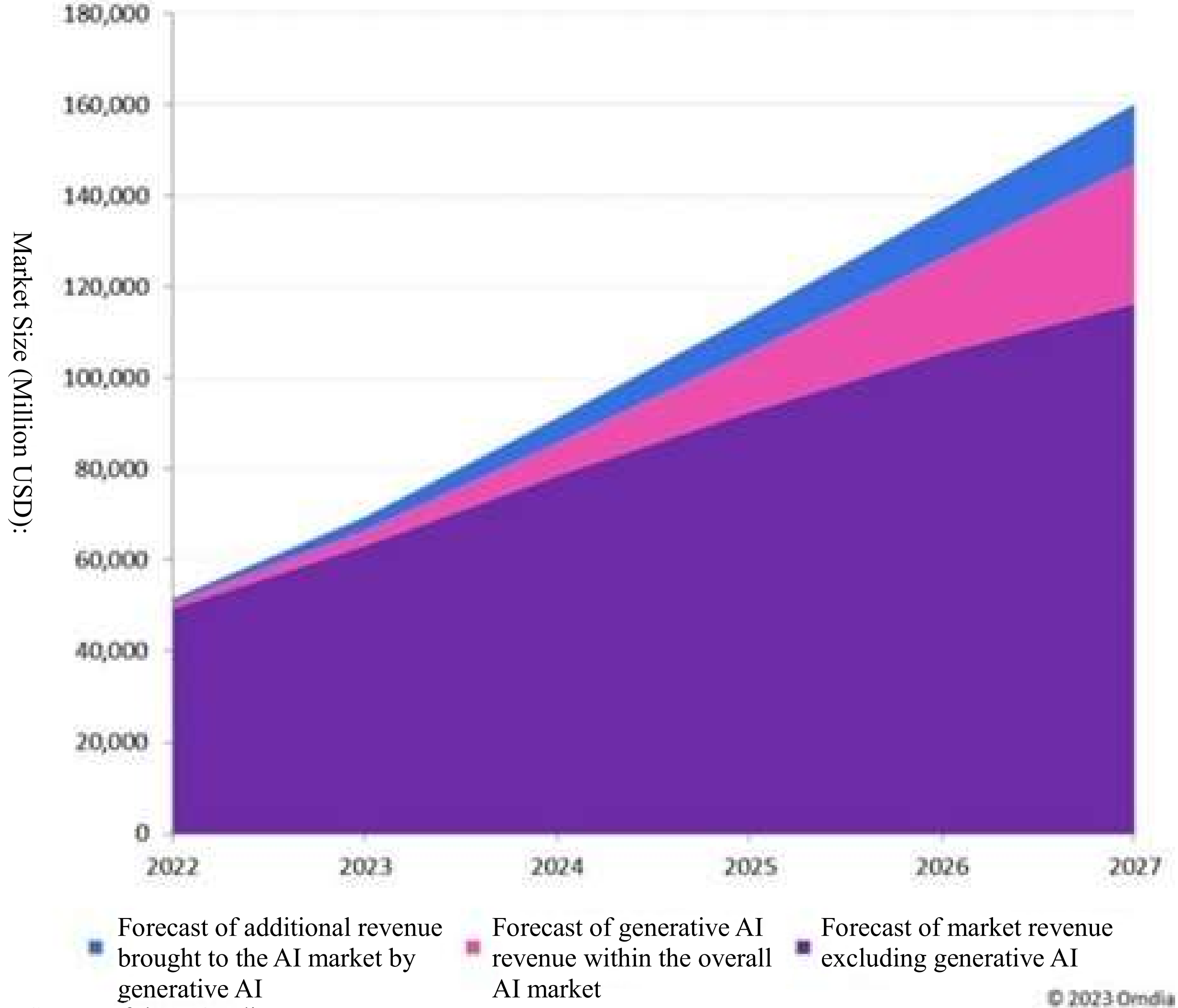
Growth in the automotive market is influenced by various factors such as the proliferation of electric vehicles, the development and manufacturing of remote batteries, the installation of fast and ultra-fast charging stations, the introduction of autonomous vehicles, the rollout of 5G connectivity, and trends related to used vehicles.

Countries like China, Brazil, South Korea, and India are increasing their investments in the automotive industry due to growing urban populations and economies. This investment demand is expected to further strengthen the market demand for automobiles.

The launch of autonomous vehicles with enhanced safety features and higher levels of automation is changing the trends in the automotive market. Many automotive original equipment manufacturers (OEMs) are launching Level 2 and Level 3 autonomous vehicles, including Nissan (Japan), Honda (Japan), Audi (Germany), BMW (Germany), and Mercedes-Benz (Germany). Automotive OEMs like BMW and Mercedes-Benz have received approvals to sell Level 3 autonomous vehicles in Germany and the USA, respectively. BMW has also obtained approval to test its Level 3 vehicles in Shanghai, China. As these automotive OEMs begin to roll out their Level 3 models, we expect the sales of Level 3 vehicles to accelerate in 2024. In addition to testing vehicles on the roads, some tech giants and automotive OEMs have adopted acquisition strategies to buy small companies engaged in the unmanned or autonomous driving technology sector.

AI global market scale

Forecast of the Global Market Size for Generative AI and AI Software from 2022 to 2027



Source of data: Omdia

The latest research from the global technology industry analyst firm Omdia indicates that the market size for applications of generative AI (GAI) is expected to grow from $6.2 billion in 2023 to $58.5 billion in 2028, with a compound annual growth rate of 56%. With startups and large cloud service providers (hyperscalers) releasing large language models and diffusion models, which are the basic building blocks of generative AI, the market for generative AI applications is expected to experience explosive growth in 2023.

Generative AI is a part of the larger AI software market, and the sudden and intense global interest in generative AI is driving the overall performance of the AI software market beyond expectations. Compared to previous forecasts by Omdia, generative AI is expected to add $3 billion in revenue to the AI market in 2023, and the forecast for market revenue in 2027 has been adjusted to $13 billion, pushing the total AI software market to $160 billion by 2027.

As generative AI is in a period of innovation, market participants are still in the experimental phase and need to cope with chaotic conditions. Omdia also warns of significant risks, as the current versions of generative AI have proven to be unreliable in various aspects, including biases, hallucinations, factual errors, and copyright infringement issues, with costs far exceeding those of traditional AI.

From now until 2028, the research period considered by Omdia, the four major application scenarios for generative AI will be virtual assistants, creation of real-world generative models, writing assistants, and automated code generation and assistance. In terms of industry category analysis, applications targeted at consumers (such as search engines and computer-assisted art and photography) and the media and entertainment industries (such as game development, video, and audio production and generation) are the largest vertical markets for generative AI.

Brad Shimmin, Chief Analyst for AI and Data Analytics at Omdia, states, “Generative AI is rapidly bringing critical changes to the world, and the technology market is advancing swiftly amidst fluctuations.”

Omdia’s generative AI software market forecast analyzes the drivers, restraints, and opportunities for the generative AI software market from 2022 to 2028. This database divides over 100 application scenarios based on 8 global regions and 6 types of AI technology workloads.

2. Industry Upstream, Midstream, and Downstream Linkages:

   The connector industry is constructed from the upstream raw materials industry, the midstream connector manufacturing industry, and the downstream application industries. Upstream pertains to raw material industries, accounting for about 60% of manufacturing costs, with metal materials being the most consumed followed by plastics, and finally, electroplating materials. Midstream connector manufacturers primarily focus on design, assembly, and manufacturing. The downstream connector aspect broadly encompasses industries such as automotive, computers, telecommunications, industrial, military aerospace, transportation, and medical.

3. Trends in Product Development:

   Connectors belong to a technology-intensive industry and are highly related to the development of today’s high-tech application markets. Current electronic application technologies tend towards multifunctionality, miniaturization, and built-in intelligence, which also require connector manufacturers to adapt their industrial patterns and positioning from this perspective.

4. Competitive Landscape:

Industry	Major manufacturers and competitors in the same industry
Power cords	Ji-Haw, Linetek Electronic, Wonderful Wire, I-Sheng Electric Wire & Cable, Well Shin Technology, Space Shuttle Hi-Tech, Sunf Pu Technology, Longwell
FFC	Ji-Haw, P-Two Industries, TennRich, Hongfu, Hanquan
Electronic transmission line	Ji-Haw, Cheng Uei Precision Industry, Pan-International Industrial, Wanshih Electronic, Sinbon, Advanced-Connectek, Space Shuttle Hi-Tech, High-tek, Hotron Precision Electronic Industrial

(III) Technology and R&D overview

1. Recent annual and up to the date of the annual report, the invested research and development expenses:

Unit: NT$ thousand; %

Item / Year	2023	As of March 31, 2024
R&D expenses	60,855	17,414
Operating income	1,150,689	264,254
R&D expenses as a percentage of operating income	5.29%	6.59%

2. Technologies or products developed successfully:

(1) Development of new products has improved yield rates and OEM production shipments.

A. Production of high-bandwidth cables such as Type C and USB 4.1 is carried out using semi-automated momentum production.

The speed of central processing units (CPUs) in electronic devices continues to double, signifying that the data transfer speed between devices and modules also doubles. At the same time, as panel technology continuously improves, the demand for video bandwidth is increasing, and traditional cables can no longer meet these needs. Under the directives of the European Union, the standardization of charging and data transfer connectors and cable assemblies for handheld devices has been established. Under the leadership of Apple/Intel and the USB Association, cables like Type C and USB 4.1 are set to become standard equipment for electronic products. However, the requirements for high current, high bandwidth, low loss, and low feedback in these specifications pose significant challenges for manufacturers in the connector industry. Over the years, Ji-Haw has accumulated extensive cable technology expertise and has established highly trusted cooperative relationships with key customers, successfully developing cables that meet USB 4.1 specifications. The Type C cable has undergone multiple revisions, simplifying the design and reducing costs, and has received certification from the association. Under the impact of the pandemic, automation of production has become a primary goal. With improvements in production technology, preliminary automation of the main production stage has been achieved, enhancing both quality and capacity, and officially entering the era of mass production usage.

B. Control Cable Assemblies for Automotive Applications and Edge Computing Transmission Cables

Electric vehicles and autonomous driving technologies are currently hot topics and represent the future direction of the automotive industry. In the process of achieving this goal, the transmission and reliability of edge computing data are crucial to address the psychological stress caused by complex traffic conditions. Consequently, new automotive manufacturers are switching suppliers, which also brings new opportunities to the supply chain. However, due to potential challenges such as climate change, there are certain technical barriers in electrical connection technology. Cloud and edge computing are central to future business developments, with very stringent requirements for the stability of cables. Ji-Haw actively participates in the design process with clients, providing cable solutions to ensure stable and reliable transmission of electrical signals, and has successfully passed customer validation for mass production and market release.

Through continual validation and practical application, technological advancements are becoming a trend, touching on areas such as multimedia, positioning, security, and healthcare. Ji-Haw will actively participate in the early design stages of customers, expanding its experience in the electronics sector to co-develop electronics suitable for outdoor activities. Currently, several vehicle models use our supplied control cables, and the number of models is increasing.

C. Automation, robotics, and production automation 4.0 cable assemblies

In the global trend towards industrial automation, there are numerous requirements for the wire harnesses used, including resistance to wear, high temperatures, oil, weather, and electromagnetic interference. These requirements vary depending on different application scenarios; hence, we have begun diversified small-scale production.

D. Type-C adapter for various interface connectors and active cable assemblies, continuously updated and improved

In the future, the Type-C universal connector will become the standard connector for most devices, and due to its miniaturization, future products will only feature this type of connector. To connect other peripheral devices, an adapter dongle or cable assembly will be required. Ji-Haw is committed to developing this range of products and is collaborating with international IC design companies to prepare for market entry. Currently, we have collaborated with well-known brand customers to develop multiple adapters. These products require continual adjustments and improvements in response to software and hardware upgrades, to meet the rapidly changing market demands, and to keep launching new models and related application products.

E. (Electronic assembly processing and small finished products) - Components for electronic products, edge computing, and the Internet of Things

Ji-Haw anticipates that smart electronic products involving edge computing and the Internet of Things will gradually become prevalent, bringing revolutionary changes to people’s lives, consumption habits, and forms of entertainment. Among these, the monitoring functions of smart home appliances will play a crucial role in leading lifestyle transformations. To support the development of these smart devices, we are collaborating with external technical teams and also conducting our own research and development to continuously improve and innovate these small-scale products. Establishing our own brand is our strategic goal, which will provide significant support for the development of brand channels. In the electronics industry, brand channels are key to ensuring profitability, providing a sustainable driving force for the continuous development of future technology and consumer products.

(2) Process and product improvement

A. Enhance the application capabilities of information tools to instantly improve efficiency, safety, and yield rates

The core of management is ensuring the timeliness and accuracy of information. Since the outbreak of the pandemic in 2020, the world has experienced dramatic changes, people cannot move as freely as before, making the importance of information more prominent than ever. Information management systems play a crucial role in this process, acting as the central nervous system of the company's operations, responsible for collecting, integrating, and analyzing all information related to production, sales, and inventory. This helps to avoid management misjudgments caused by human errors or deliberate misinformation. By continuously reviewing and improving, the company can now instantly analyze information regarding efficiency, yield rate, timeliness, loss, and costs, allowing for quick responses to internal and external changes and the issuance of management directives. This also enables us to promptly assist our overseas branches and enhance work efficiency. The company can offer customers reliable delivery guarantees, which are beneficial for both parties. This also reaffirms our management and service standards, providing customers with reliable assurances.

B. Utilizing ERP techniques to improve processes—efficiency and rationality of materials, production, and inventory

In the electronics manufacturing industry, where market competition is increasingly fierce, the annual pressure to reduce prices inevitably impacts corporate profitability. To achieve profit margin goals, the company must utilize resources effectively. Therefore, the company has adopted industrial engineering methods such as computerized data management and Theory of Constraints (TOC) to review and modify our bottleneck processes. By balancing the timing differences along the entire production line and promoting the automation and semi-automation of processes, we meet the requirements of world-class manufacturers for Just-In-Time (JIT) production. Simultaneously, by analyzing production and sales data, the company has improved the situation of finished goods inventory and reduced material input errors, thus enhancing efficiency and alleviating the pressure from rapid changes in customer demand.

C. Reasonable automation and semi-automatic modules have been quickly and cost-effectively introduced into production.

Affected by the pandemic and issues like labor shortages, the company faces challenges in the production environment. To address this challenge, we have set phased goals to gradually transition from semi-automation to full automation. This requires continuous enhancement of personnel and technical capabilities to ensure smooth manufacturing processes. In the future, achieving full automation will be crucial for our success.

To minimize the impact of manual operations on product quality, we have introduced a modular production approach. By continually modifying molds and incorporating high-precision automatic inspection and interpretation equipment, we have effectively improved the yield and production efficiency. This transition is an important step from semi-automation.

In the future, we will continue to develop automation equipment for our processes, leading the entire manufacturing process towards comprehensive automated production to enhance production efficiency and product quality.

D. High-frequency testing equipment for wire has been introduced and updated, and production equipment has been put into mass production.

As display technology continues to break through and progress, the requirements for transmission wires are increasingly demanding, needing high transmission speeds, low feedback, low crosstalk, and low impedance. To meet the continuous demand for wire products from customers, we have decided to further invest in introducing high-frequency testing equipment for wires.

These high-frequency testers will effectively test various types of wires, including Type-C, HDMI, USB, and opto-electrical hybrid cables, ensuring that their high-frequency characteristics meet design requirements. By testing and verifying in the early stages, we can promptly identify and resolve design and process issues, thereby improving the quality and stability of our products.

Once the production equipment has been successfully tested and modified, we will consider purchasing new production equipment to enter the mass production stage. This will help ensure that our products meet high standards of quality and performance in the market.

(IV) Long-Term and Short-Term Business Development Plans

In response to geopolitical factors, industry development trends, and significant changes in both domestic and international business environments, the company uses various long-term and short-term plans to adjust its corporate structure and enhance overall competitiveness. Here is a summary of the company’s long-term and short-term plans:

1. Short-Term Development

(1) Product Marketing:

A. In 2023, factors such as weak demand for electronic end-products, unexpected inventory adjustments, and a sluggish Chinese economy led to poor performance across various component industries. In this context, we will continue to systematically collect and analyze market dynamics and sales conditions of key customers to seize opportunities for new products while avoiding inventory issues due to forecast errors.

B. Improve customer relationship management, deepen cooperation with existing customers, and secure opportunities for introducing new projects through collaborative development.

C. Increase business personnel in new markets to diversify customer portfolios and mitigate external environmental risks.

D. Collect market trends and industry dynamics to collaborate with leading customers to develop next-generation products, such as Active Optical Cables (AOC, HDMI…), SFP, Embedded Optical Modules (EOM), and semiconductor-related products.

E. Focus on profit management to make efficient use of existing production capacity and avoid inventory backlogs.

(2) Production Strategy

A. In response to the US-China trade war, regional production has become an inevitable trend, with Southeast Asia emerging as the preferred location. The company will also increase production capacity at its base in Thailand.

B. Strengthen the management of external resources and fully utilize outsourcing and local strategic partners' manufacturing resources. By screening and mentoring suitable suppliers, the company can effectively control the immediacy and quality yield of the supply chain and reduce the turnover of materials in transit.

C. Enhance capacity forecasting, control capabilities, and the organization and processes of overall logistics management to reduce the costs of inventory in transit and transportation.

D. Establish a professional engineering team to improve prototyping operations and quality, and work closely with customers from the design stage, participating in early product reviews. Focus on industrial engineering (IE) improvements and process automation introduction, driven by the engineering team from a professional standpoint. Implement continuous project improvements.

E. Utilize management information systems to improve the timeliness of materials and reduce material inventory backlog, inventory level alerts, and immediate handling.

F. Continuously improve production equipment and tooling to enhance product quality and efficiency.

(3) Research and development

A. Keep abreast of changes in connectivity industry standards and propose product planning, such as the development of USB 4.1 Type wires, e-DP, TypeC wires, and optical fiber cable modules, as well as the development of solar bridging/connecting technologies.

B. Integrate external R&D collaborative resources to jointly develop new market sectors such as medical biotechnology, environmental recycling, solar energy, automotive electronics, and 3D applications.

C. Continuously monitor changes in environmental regulations and grasp the trends in the evolution of eco-friendly materials and processes to timely incorporate into manufacturing.

D. Stay updated on new market trends (energy industry, industrial applications, automotive electronics, medical industry) regarding safety regulations and mainstream product trends, and plan timely development for business promotion.

E. Incorporate materials processing technology for medical and agricultural biotechnology, entering the market with precision machining techniques.

(4) Management

A. Strengthen the management information system, integrating management of efficiency, yield rate, timeliness, costs, and expenses to improve the overall effectiveness of operational management.

B. Enhance talent recruitment, actively hiring outstanding professional managers to improve the quality of the company's personnel. Promote localization in local factories, reducing the deployment of Taiwanese staff overseas to cut expenses and enhance the cohesion of overseas employees.

2. Long-Term Development

(1) Product Marketing:

A. Focus on trends in the server market, automotive industry, industrial applications, energy industry, and telecommunications market, and collaboratively develop high-precision, high-speed optical communication products suitable for cloud computing centers with customers. Also, pay attention to the application scenarios of optical communication products in the consumer electronics industry, automotive products, and medical industry.

B. Align with customer logistics management chains, setting up duty-free, bonded warehouses, or even small-scale reprocessing factories in customer regions to shorten delivery times to major customers.

C. Actively participate in exhibitions, seminars, and other events to integrate external resources and jointly promote related business opportunities, including markets related to AI, medical biotechnology, solar energy, 3D, and environmental recycling.

D. Extend the product lines into the energy industry and electric vehicles sectors, and promote related field customers to deepen and broaden product opportunities.

(2) Production policy

A. Plan to establish offices around the world to serve customers locally.

B. Plan the introduction of PCBA SMT/DIP processes, and combine capabilities in mechanical component production and assembly to seize future opportunities in assembly and maintenance.

C. Continue to monitor the evolution of automation trends in processes, improve existing labor-intensive processes, and leverage the precision machining advantages of automated processes to secure orders for high-tech threshold products.

D. Evaluate the introduction of environmental recycling and biotech production equipment into production.

(3) Research and Development Strategy

A. Plan for high-precision wire drawing equipment and process introduction for future cable products that require high speed, low loss, and low feedback, to meet the mass production needs of Thunderbolt, Type C cables.

B. Collaborate with external resources to develop new-generation wiring harness products.

(4) Management

A. Strengthen the ability to collect and analyze data on new markets and business opportunities, and establish a project management team in collaboration with external resources to evaluate, introduce, and manage related cooperative opportunities.

B. Enhance the functionality of the management system to ensure that management information is transmitted more immediately and effectively to executives, and improve process efficiency through the digitalization of processes and forms.

C. Combine the development and negotiation of outsourced resources to handle the transfer of inefficient equipment within the plant.

(V) Sustainability Policy Statement

Ji-Haw Company will fulfill its responsibilities and judge the situation accordingly. Anyone who identifies with our philosophy is welcome to join our team. More importantly, we will adhere to the spirit of sustainable corporate development, rectifying all and standing firm!

While we pursue profit to fulfill our commitment to our shareholders, we at the same time utilize our strengths to work together with stakeholders, such as employees, customers, partners and the public for sustainability. Our remarkable and stable employees are our largest assets. Ji-Haw will provide a safer and more comfortable workplace and an all-inclusive welfare system for our employees to contribute their expertise freely.

In terms of employee management, we strictly implement the "Electronics Industry Citizenship Coalition" (EICC). As a supplier to the world's major wire and cable companies, we keep a close relationship with all customers to strive to meet or exceed their standards. At Ji-Haw, we have implemented a number of employee physical and mental care programs, including employee annual health examination, domestic and overseas trips, social gatherings, and pension contributions. We also provide internal and external training, which our employees can participate in freely.

To implement the goals of sustainable corporate development and management, the company established a Sustainability Committee on January 30, 2024, as approved by the Board of Directors. This committee is responsible for making decisions and overseeing the company's sustainability initiatives, covering three main areas: Environment (E), Social (S), and Governance (G). This ensures the Board can fulfill its duties to protect the interests of the company, employees, shareholders, and all stakeholders.

1. Ji-Haw Sustainability Committee Responsibilities:

Assist the Board in continuously promoting corporate social responsibility and improving company governance to achieve sustainable management. Its responsibilities include the following:

A. Formulation of the sustainability policy.

B. Setting the annual sustainability plan and strategic direction.

C. Tracking and reviewing the implementation and effectiveness of sustainability initiatives and reporting to the Board.

D. Decisions on other sustainability-related matters.

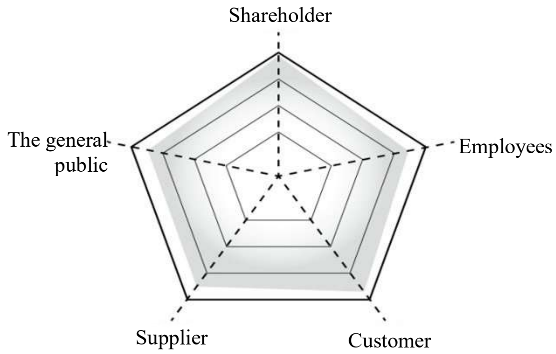
2. Ji-Haw Sustainability Committee Members:

Convener: Wang En Guo , Independent Director

Member: Shi Hao Ji, Chairman

Member: Chen Wen Wei , Vice President of Finance

3. Identifying Stakeholders:
Ji-Haw Company considers the following principles and uses empirical rules to identify significant stakeholders related to the company. The Company is responsible for certain groups or individuals with respect to legal, financial and operational decisions. Groups or individuals affected by the impact of the Company's operations. Groups or individuals that may have an impact on the Company's operating performance. Based on the analysis of the above principles, Ji-Haw believes that the main stakeholders to be given priority to are: shareholders, employees, customers, suppliers, and the public.



4. Communication Channels: Ji-Haw Company specifically targets different stakeholders to collect issues they care about, which are then quickly analyzed and understood by the relevant departments. The company also responds to external environmental changes and legislative amendments through inter-departmental cooperation. This ensures that related tasks are accomplished while maintaining clear communication channels, allowing the management team to regularly provide feedback on relevant information, which serves as a basis for the company's continuous improvement or planning.

A. Communication channels between shareholders and Ji-Haw:

a. We hold a shareholders' meeting each year.

b. We have set up a section on the official website (http://www.jh.com.tw) dedicated to shareholders to disclose various information, news, financial information. We also have an investor relations hotline for shareholders.

c. We hold an investor conference in accordance with the regulations of the Securities and Futures Bureau to provide information on market trends, industry trends and trends associated with the entire electronics industry.

B. Communication channels between employees and Ji-Haw Company: The company internally provides diverse and cross-departmental communication channels.

C. Communication channels between customers and Ji-Haw:

a. With respect to customers, we have a dedicated manager to provide services. At the same time, we also collect and consult the opinions and satisfaction feedback from customers in terms of the products and services we provide via frequent visits.

b. From time to time, the Company's senior management, such as the chairman, president, or special assistant, visits customers alongside the business manager. In doing so, we facilitate direct dialogues between the customers and the Company.

D. Communication channels between suppliers and Ji-Haw:

a. A supplier partner meeting is held from time to time inviting all suppliers. In addition to the Procurement Department, we also assign senior executives at the vice president level or above to attend the meeting. This meeting focuses on exchanging views with suppliers

b. Senior executives at the president level or above occasionally visit major suppliers to form partnerships. A strategic alliance is set up according to each professional area to share benefits.

E. Communication channels between the public and Ji-Haw:

a. We proactively exchange views and information with various industrial and commercial organizations and leaders in society, including the Taiwan Electronic Connection Association, Taiwan Electrical and Electronic Manufacturers' Association.

b. We have a Chinese and English website (http://www.jh.com.tw) set up to truthfully disclose information to the public. Contact information of each plant is also available on website for wide communication.

5. Occupational safety and health management system OHSAS

A. The Company has attained OHSAS18001 certificate since 2016.

B. The Company has formulated a safety and health management policy to pursue zero injuries, zero occupational diseases, and zero accidents, creating the best work environment for all employees. Since 2018, there have been no injuries, occupational diseases and zero accidents, achieving the target.

C. Industrial safety: A disaster prevention center has been established at the headquarters in Xindian to immediate inform each plant of any safety information on typhoons, earthquakes or serious epidemics. We also set up a task force to provide immediate disaster prevention information, and conduct response training on response personnel to strengthen the Group's disaster prevention system.

D. Fire system management: Ensure that the safety software and hardware and management mechanism are in place. Problems must be addressed immediately in order to effectively reduce the risk of fire in each plant, including evacuation maps, notification of fire authorities, annual firefighting drills.

E. Occupational safety education and training: 2 fire organization drills and training on the use of building lift equipment are performed each year. The topics of firefighting activities include: Firefighting knowledge education and promotion, contents of prevention program, and fire prevention measures. The Company has 10 seed members and all employees of the Company participate in the drills. Safety audits were performed in the plants and deficiencies were corrected.

6. Risk assessment and management policies for environmental, social and corporate governance issues related to the Company's operations.

The Company has established the "Corporate Social Responsibility Best Practice Principles".

In terms of economic, environmental and social issues arising from operations, the Company prevents and controls possible risks in the process of business management. According to the materiality principle, the Company also conducts a risk assessment on environmental, social and corporate governance issues associated with the Company's operation. The results of a risk assessment will be used as a reference for the Company's risk management and operations strategy.

The Company shall comply with environmental-related laws and regulations and applicable international standards to adequately protect the natural environmental. Moreover, the Company shall be committed to achieving the objective of environmental sustainability when carrying out business activities and internal management.

Additionally, it is appropriate to establish an environmental management system suitable for the company's industry characteristics. The Company's environmental management system, which shall include the following items:

1. Collect and evaluate adequate and timely information on the impact of operating activities on the natural environment
2. Establish measurable objectives for environmental sustainability and regularly review the sustainability and relevance of the development of the goals.
3. Formulate measures including concrete plans or action plans and periodically review their effectiveness.

II. Market as well as the production and marketing situation

(I) Market analysis

1. Sales regions of the Company's main products:

Unit: NT$ thousand; %

Sales area		2022		2023	
		Sales amount	%	Sales amount	%
Export Sales	Asia	1,467,230	97.98	1,063,594	92.43
	Americas	4,496	0.30	415	0.03
	Europe	1,665	0.11	48,981	4.26
Subtotal		1,473,391	98.12	1,112,990	96.72
Domestic Sales		24,087	1.61	37,699	3.28
Total		1,497,478	100.00	1,150,689	100

2. Market share:

Due to the fact that there are no specific market statistics for electronic cables and connectors, only the total market value of the cable industry and the approximate share of the major competitors are analyzed, as follows:

Industry	Major manufacturers and competitors in the same industry
Power cords	Ji-Haw, Linetek Electronic, Wonderful Wire, I-Sheng Electric Wire & Cable, Well Shin Technology, Space Shuttle Hi-Tech, Sunf Pu Technology, Longwell
FFC	Ji-Haw, P-Two Industries, TennRich, Hongfu, Hanquan
Electronic transmission line	Ji-Haw, Cheng Uei Precision Industry, Pan-International Industrial, Wanshih Electronic, Sinbon, Advanced-Connectek, Space Shuttle Hi-Tech, High-tek, Hotron Precision Electronic Industrial

The global market value for wire harness processing is approximately 60 billion USD, and our company accounts for about 0.1-0.2% of this market, which indicates significant potential for growth.

3. Future Market Supply and Demand, and Growth Potential:

Given that the connection cables produced by our company are primarily used in computers and their peripherals, telecommunications equipment, information appliances, and automotive-related products, the continuous development of downstream industries is expected to drive the demand for connection cables. The following analysis is based on the industries in which they are used:

(1) With the constant innovation of 3C high-frequency products, Type-C has become the mainstream interface in the market. As laptops trend towards being lighter and thinner, reducing the use of slots and ports, and as the global pandemic changes

lifestyles, remote video and working from home are expected to become the norm. It is anticipated that the demand for laptops and tablets will spur a new wave of growth in demand for connection cables. The adoption rate of the new generation of Type-C will also significantly increase because it offers faster speeds, greater transmission capacity, and a wider range of applications. In addition, besides high-speed data transmission and video output, Type-C also provides stronger power support capabilities.

(2) In recent years, applications in servers, electric vehicles, and industrial control have continued to expand globally. Especially, the electric vehicle market has become one of the key areas for transformation for connector manufacturers and is also one of the drivers of long-term growth. Due to the high entry barriers and longer production cycles for vehicle connectors, they have become one of the main drivers of stable revenue growth in the connector industry in recent years.

4. Competitive Niche:

(1) In terms of research and development innovation

Ji-Haw's research and development team has over ten years of experience in the connectivity cable industry, and most members have been with the company for more than five years, thus they possess a high level of understanding and mastery of external market changes and standards. The company closely collaborates with customers using the JDVM (Joint Development and Value Management) and JDSM (Joint Development and Supplier Management) models to jointly develop high-precision cable products that meet technical thresholds. Over the past decade, we have designed and developed over ten thousand products for our clients, including network cables, HDMI 2.1 high-speed transmission cables, USB 2.0/3.0/4.0, and TYPE C cables, among others. These achievements have repeatedly won awards in the R&D field. Based on our strong technical expertise, Ji-Haw is actively expanding into emerging industries such as optical communications, 3D technology, and energy. Through collaborative development and proposals with external resources, we are jointly seizing market opportunities, successfully adjusting our business and market operations strategies, and increasing the technical barriers to differentiate ourselves from competitors.

(2) With respect to production and manufacturing

With the continuous advancement of production technology, it is crucial for cable manufacturers. The company's R&D team is dedicated to designing production processes, simplifying manufacturing, and automating testing to improve product quality and reduce production costs. We have invested significant effort in production process control and engineering design. Additionally, our overseas production bases are also quite substantial. The production equipment we own includes extruders, bunching machines, single twisters, laying machines, braiding machines, cutting machines, winding machines, back-twisting machines, stripping machines, molding machines, crimping machines, terminal machines, automatic soldering machines, and semi-automatic assembly lines. All these pieces of equipment are the latest models, which have been designed and improved by us before being manufactured by major domestic producers. These efforts fully demonstrate our advantages and leading position in production technology.

(3) With respect to business sales

Based on the long-term trust established with our customers, our company has gradually adjusted its business model, shifting from the traditional OEM model to ODM/JDM models. Once our products are customized by the customers, they are almost impossible to be used by others unless they undergo design modifications by the customers themselves. This also means that as long as the product quality is assured, customers are unlikely to easily switch suppliers to avoid wasting the money, manpower, and time invested in the products. The company possesses rapid development timelines, high supplier cooperation, a good quality reputation in the industry, flexible delivery location options, and information management capabilities. These characteristics maintain customer trust and loyalty and are the cornerstone of our competitive edge. In the future, we will collaborate with external partners to fully leverage our existing technical strengths and manufacturing resources to quickly enter niche growth markets.

5. Prospects for development, favorable and unfavorable factors, and response strategies:

(1) Positive factors

A. The demand for automotive wiring harnesses and connectors is also increasing.

With the continuous improvement of vehicle safety standards and the growing demand for advanced safety features, the demand for automotive wiring harnessen and connectors continues to rise. Particularly, the proliferation and growing demand for electric vehicles (EVs) have become major drivers for market expansion. Additionally, as the functionality of in-vehicle sensors and infotainment systems continues to expand, the global demand for automotive wiring harnesses and connectors is also increasing.

B. Gaining Quality Recognition from Leading Global Manufacturers

Our company and its subsidiaries have obtained OEM quality certifications issued by leading global manufacturers, which is a significant affirmation of our product quality and reputation. This also means that our products meet increasingly strict quality standards, can fulfill customers' high quality requirements, thereby gaining customer trust and support.

C. Engagement in mainstream industries of the future

Products such as optical communications and semiconductors have become major drivers in key markets including the automotive industry, industrial applications, the energy sector, the communications market, mobile devices, big data, and social media. Additionally, technologies such as 3D, edge computing in artificial intelligence, Industry 4.0, energy, and biotechnology markets all possess immense developmental potential. Ji-Haw Company has a solid positioning in key future industries, which will help us better grasp market trends and meet future challenges.

D. Implementing global logistics to reduce production and marketing costs

The company actively implements a global logistics strategy to reduce production and marketing costs and increase efficiency. Considering the global situation and the integration of production and marketing divisions, we have established a production base in Zhangpu, Kunshan, China, and another in Thailand, and have also partnered with several manufacturers in southern China. In the future, we plan to establish a new service hub in Vietnam to further reduce production costs and improve supply efficiency, thereby enhancing our competitiveness in the market.

E. High Integration of Internal and External Production Resources

The company is a business focused on the production of connecting cables, and we have implemented a high level of integration of internal and external production resources. From the procurement of raw materials to the final manufacturing of products, we have achieved vertical integration in multiple aspects including plastic granule production, wire manufacturing, mold production, and plastic injection molding. Additionally, we possess efficient outsourcing resource control capabilities, allowing us to flexibly adjust internal and external capacities to cope with seasonal fluctuations.

F. Effective Management of Operational Information through a Management Information Platform

The company has established a comprehensive management information platform that effectively captures operational data. Through information management, our operational data can be transmitted in real-time and effectively to relevant managers for analysis and decision-making. This helps us identify problems in a timely manner and improve efficiency, thereby enhancing the effectiveness of operation and management.

G. Continuous Improvement of Production Equipment and Processes

Our company continuously improves production equipment and processes to ensure an enhancement in product quality and production efficiency. Leveraging years of industry experience, our R&D team independently designs production equipment to meet evolving production demands. At the same time, we thoroughly study and streamline our production processes, enhancing product quality, reducing production costs, and maintaining high production efficiency.

(2) Negative factors

A. External Environmental Challenges

Facing adverse external environmental factors, we must be aware of the economic downturn caused by rising inflation and interest rates, which significantly impacts the decline in sales of consumer electronics. The component industries, closely linked to consumer electronics sales, are also in trouble due to reduced demand in the consumer electronics sector. This situation undoubtedly presents a highly challenging scenario for these industries.

B. Future uncertainties in the PC/NB market

Even after the pandemic ends, there remains uncertainty in the PC/NB market. With the decreased demand for working from home and online learning, major computer brands hold a pessimistic view of the market outlook for 2024, which in turn affects the growth expectations of the related component industries.

C. Impact of US-China Trade Issues

The impact of US-China trade issues extends beyond trade itself; it directly affects the operation of supply chains and the labor market. Companies must consider how to respond to tariffs and trade barriers affecting their products and raw materials, while also focusing on sustainability and green supply chains. Additionally, issues in the labor market warrant attention. Automation and robotics have become solutions that industry players must actively engage with, and exploring new sources of labor is also a critical issue to address.

D. Wage Increases and Labor Shortages in Mainland China

Rising wages and labor shortages have become significant challenges for businesses operating in mainland China. Impacted by the pandemic, the

Chinese government has vigorously promoted domestic demand policies, shifting the engine of China's economic growth from exports to the domestic market. This shift presents new challenges for many companies with factories in mainland China, especially in the manufacturing sector. As labor costs continue to climb, it becomes difficult for businesses to maintain production efficiency and cost advantages. At the same time, labor shortages are a major concern for businesses. Due to the insufficient supply of labor, companies struggle to meet production demands, which puts pressure on their operational capabilities.

E. Exchange Rate Fluctuations

Exchange rate volatility has a direct impact on the management of import and export businesses, especially during the US-China trade war, where fluctuations have been severe. These fluctuations can affect a company's profitability, the cost of imported raw materials, the pricing of exported products, and purchasing power. In the face of such conditions, companies must enhance risk management, closely monitor exchange rate trends, and develop corresponding strategies to cope with the impact of external uncertainties.

(3) Response Strategies

To respond to rapid changes in the external environment, our company needs to continually enhance our technical and management standards to ensure sustained and stable growth. We are actively strengthening innovation in markets, customers, products, and process technology, and we are accelerating management transformations. Strengthening our internal management information platform is a key initiative to improve our operational health and efficiency. At the same time, we are exploring the allocation of external resources to address fluctuations in manpower demand during peak and off-peak seasons. Furthermore, we are actively accelerating entry into emerging markets such as 3D, artificial intelligence, energy, and biotechnology, which are potential areas, to seize the opportunities of the next wave of industrial development.

(II) Key Applications and Manufacturing Process of Main Products

1. Product: All connecting cables required for computers and automotive peripherals, including 4G and 5G cables used in general communication systems, gaming console cables needed for home entertainment systems, connecting cables for home automation devices, and automotive-related cables.
2. Use:Electronic signal transmission between computers and their peripherals, consumer and communication products, household appliances, office equipment systems, and related to automobiles.
3. Manufacturing Process: Typically produced under OEM/ODM/JDM models on a made-to-order basis, and can also be developed, designed, and produced according to customer specifications to ensure product quality meets customer requirements.

(III) Supply Status of Main Raw Materials

Major raw materials	Supply area	Supplier
CONNECTOR	Taiwan, China	Howtech Technology, Aces Electronic, Shunten International, Luntao
Copper wire	Taiwan, China	Sing Yang, Zhengdao, Mingxing, Space Shuttle Hi-Tech, Zhongju
FFC film	Taiwan, China	Guanghongda, Hongzhi
Plastic powder, PVC, raw materials	Taiwan, China	Formosa Plastics, Excel Components MFG

The main raw materials of the Company are: cables, copper wires, FFC film, and PVC powder. As we have been working together for many years, the development of the relationship is good with a stable source of supply.

(IV) Names of customers accounting for more than 10% of the total purchases (sales) in any of the last two years, and the amount and proportion of purchases (sales):

1. Information on major suppliers in the last 2 years:

Unit: NT$ thousand; %

	2022				2023				Up to the first quarter of 2024			
Item	Name	Amount	As a percentage to annual net procurement (%)	Relationship with the issuer	Name	Amount	As a percentage to annual net procurement (%)	Relationship with the issuer	Name	Amount	As a percentage to net procurement for the year up to the previous quarter (%)	Relationship with the issuer
1	YYCXS	203,196	20.45	None	GHDDZ	127,068	17.95	None	GHDDZ	32,310	18.48	None
2	DGHC	118,007	11.88	None	YYCXS	104,324	14.74	None	XYMW	18,292	10.46	None
3	GHDDZ	107,319	10.80	None	DGHC	70,940	10.02	None	DGHC	17,776	10.16	**None**
	Others	564,995	56.87	None	Others	405,508	57.29	None	Others	106,505	60.90	None
	Net procurement	993,517	100.00	-	Net procurement	707,840	100.00	-		174,883	100.00	

Note: A list of suppliers accounting for 10 percent or more of the company's total procurement amount and percentage of the 2 most recent fiscal years. However, if the name of the supplier is not to be disclosed as stipulated in the contract, or if the counterparty is an individual and not a related party, the name of the supplier may be coded.

2. Information on major customers in the most recent two years:

Unit: NT$ thousand; %

	2022				2023				Up to the first quarter of 2024			
Item	Name	Amount	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage to net sales for the year up to the previous quarter (%)	Relationship with the issuer
1	CH045	209,839	14.01	None	CH413	190,482	16.55	None	CH416	40,354	15.27	None
2	CH416	203,978	13.62	None	CH145	138,870	12.07	None	CH145	22,144	8.38	None
3	CH222	159,522	10.65	None	CH045	138,630	12.05	None	CH582	14,483	5.48	None
	Others	924,139	61.72	None	Others	682,707	59.33	None	Others	187,273	70.87	None
	Net sales	1,497,478	100.00	-	Net sales	1,150,689	100.00	-	Net sales	264,254	100.00	-

Note: A list of customers accounting for 10 percent or more of the company's total sales amount and percentage of the 2 most recent fiscal years. However, if the name of the customer is not to be disclosed as stipulated in the contract, or if the counterparty is an individual and not a related party, the name of the customer may be coded.

(V) Production Volume and Value Table for the Most Recent Two Years

Unit: NT$ thousand; thousand pcs

Year / Production volume value / Main product	2022			2023		
	Production capability	Production volume	Production value	Production capability	Production volume	Production value
Connection cables	0	77,441	1,053,288	0	39,419	1,040,562
Others	0	44,909	99,990	0	49,820	79,339
Total	0	122,350	1,153,278	0	89,239	1,119,901

(VI) Sales volume and value in the most recent two years

Unit: NT$ thousand; thousand pcs

Year / Sales volume and value / Main product	2022				2023			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connection cables	1,485	24,026	82,479	1,470,585	891	31,617	63,789	1,106,266
Others			1,690	2,867	19,444	6,082	1,970	6,724
Total	1,485	24,026	84,169	1,473,452	20,335	37,699	65,759	1,112,990

III. Number of employees, average years of service, average age, and educational background of employees in the most recent two years and up to the date of publication of the annual report:

March 31, 2024

Year		2022	2023	As of March 31, 2024
Number of employees	General employees	183	296	324
	Production personnel	187	247	356
	Total	370	543	680
Average age		39	36.95	34.31
Average length of service		5.56	5.73	4.86
Education distribution ratio	Doctoral Degree	0	1	1
	Master	5	14	21
	College	114	69	81
	Senior high school	91	109	111
	Below junior high school	160	94	99

IV. Disbursements for environmental protection

Recent Fiscal Year and as of the Date of the Annual Report Publication, Losses Incurred Due to Environmental Pollution (This includes compensation and the results of environmental protection audits for violations of environmental laws. Details such as the date of disposition, document number, violated regulation articles, content of the violation, and details of the disposition should be clearly stated). If it is not possible to reasonably estimate the potential future amounts or corrective measures, an explanation of why they cannot be reasonably estimated should be provided:

In terms of product processes, there were no incidents of environmental pollution. In addition, as set forth by law and regulations, the Company is not required to obtain a permit for pollution control facilities or pollution discharge. Given this, the Company did not suffer any loss or penalty due to environmental pollution in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. In response to the future demand for eco-friendly and non-toxic materials, the Company has established a taskforce and began to develop toxic-free wire plastic materials and non-halogenated materials. The equipment and materials for experiments are a major expense for environmental protection.

We have implemented ISO14001 environmental management system and OHSAS 18001 occupational safety management system in our main production base in Kunshan. For this, we have proposed countermeasures for implementation:

(I) Supplier Management: Ji-Haw Company has always regarded suppliers as close partners, recognizing that supplier partners are a strong support for Ji-Haw Company. Only by advancing hand in hand with suppliers can mutual benefits and a win-win situation be achieved. Given this, we are willing to share our own experience and resources with all suppliers so that they can join in the Ji-Haw mutual benefit circle. By completing vertical integration of upstream and downstream companies, we aim to provide cutting-edge high quality and innovative high-tech products and services to the world's best customers. Moreover, with full cooperation of customers and suppliers, we will expand our products and services, achieving all-inclusive development. We believe that by benefitting our suppliers, we ultimately benefit the Company.

Therefore, we have been taking a proactive approach for suppliers to incorporate Ji-Haw's system to understand the culture of the Company in order to share success. This has always been our long-term effort. First of all, our partnership with suppliers is established based on the framework of equality and mutual trust. Given this, we sign the following with suppliers:

1. Confirmation of social responsibility of suppliers.
2. Environmental protection agreement, and we establish standards for various harmful substances while strictly complying with RoH, REACH and other environmental protection standards to fully prevent all types of harmful substances from entering the production chain.

(II) Hazardous Substance Control: Since 2000, Ji-Haw Company has been complying with global customer initiatives to regulate the use of eight heavy metals and ban various hazardous substances. In recent years, we have progressively adopted environmental standards such as RoHS and REACH, expanding their application to the upstream supply chain. We have signed agreements with our partners to ensure the non-use of hazardous substances and implemented surveys to ensure banned substances are not used. Starting with our own production, we completely eliminate all hazardous substances from entering our production system, contributing our efforts towards global environmental sustainability.

(III) Recycling and Reuse: Faced with the challenges of resource recycling and reuse in labor-intensive industries, the company has never given up. For this, without compromising the value of the Company's products, we set an example. For internal documents, we use second draft paper for production records, operational instructions, engineering drawings, and QC reports. By doing this, recycling is carried out from within.

(IV) Greenhouse Gas Reduction: In terms of energy saving and greenhouse gas reduction, Ji-Haw Company collaborates with customers to implement localized production, establishing robust production bases together, and through a strategy of vertical integration and horizontal development, we significantly reduce the long-distance transport chain of raw materials and products, effectively shortening our carbon footprint and taking the first step towards emissions reduction. At the same time, we have installed LED energy-saving lighting facilities in the main production base in Kunshan. We began from replacing basic hardware facilities such as eliminating the use high energy-consuming mercury lamps. Not only does this mean we no longer use high energy-consuming products, we at the same time stop the use of highly polluting mercury. As for emission reduction, the Company encourages its direct employees to use battery cars for transportation and they can charge their cars free of charge at the electric charging bays. By promoting/encouraging and providing incentives for free charging, we hope that more direct employees will reduce the use of fossil fuels and practice GHG emission reduction.

(V) Risks and Opportunities of Climate Change: Ji-Haw closely monitors global climate change trends and international response directions, incorporating climate change as a significant issue and a key risk item in our sustainable development strategy. We continue to analyze and manage this, developing climate change adaptation and mitigation strategies, promoting the reduction of carbon emissions and energy resource usage, and complying with government environmental regulations, customer requirements, and other relevant standards.

Climate risks	Climate opportunities	Action plans
Unstable supply of water and electricity, impacting the production and increasing operating costs.	Improve the efficiency of water resources to reduce the impact of disasters on production.	We continuously regulate water usage and install water-saving devices, enhancing management and regular inspections to reduce per capita annual water usage.
Production is affected by typhoons, floods and droughts, resulting in financial losses and decreased revenue.	Enhance natural disaster resilience capabilities and strengthen climate resilient to reduce business interruptions and potential losses.	Establish a comprehensive water situation monitoring mechanism so that production is not affected due to water shortages or water outrages. Emergency response training to reduce losses resulting from disasters.
Rising temperatures increase electricity use, thereby increasing costs and carbon emissions.	Promote low carbon/green production to save electricity use and costs.	We also promote energy-saving measures such as turning off lights when not in use and keeping equipment off during non-operational times.
GHG emissions, carbon reduction equipment installation	Promote energy saving efficiency by recycling and reuse to save costs	Implement a paperless office by using recycled paper to print unimportant documents

V. Labor relations

(I) The Company’s various welfare measures, continuing education, training, retirement systems and their implementation, as well as the status of agreements between labor and management, and various measures to protect the rights and interests of employees:

1. Employee Benefits:

(1) Implementing labor and health insurance, an employee stock ownership plan, and group insurance for staff stationed abroad.

(2) A welfare committee has been established, which allocates 1% of the capital at the time of establishment, 0.05% of monthly sales revenue, and 40% of scrap income as employee welfare funds to organize various recreational, leisure activities, birthday celebrations, and holiday gifts.

(3) Implementation of a duty-based work system, with flexible working hours (except for the manufacturing department).

(4) Organizing annual overseas trips.

(5) Consolation money for hospitalization, wedding money, funeral offering (including dependents), Bonuses for three major festivals (Labor Day, Mid-Autumn Festival, Dragon Boat Festival) and year-end bonus.

(6) Providing vehicles or subsidies for motor vehicle fuel based on position and

attendance.

(7) Providing free parking spaces for employees.

(8) Other benefits.

2. Employee Training and Development:

The Company arranges education and training courses to encourage employees to continue to learn while at work.

(1) Supervisors provide on-the-job training opportunities during meetings and interviews.

(2) The Company shall organize its own education and training or participate in education and training organized by other units.

(3) Elective training courses offered by colleges and universities.

(4) Participate in the educational training organized by domestic training units.

(5) Participated in domestic inspections.

(6) Sending employees abroad for training or study tours.

3. Retirement system and its implementation:

In accordance with the provisions stipulated in the Labor Standards Act, 5.8% of employees' monthly wages is set aside as pension reserve to be deposited in a special account at the Central Trust of China. We also contribute to employees' pension as required by the provisions stipulated in the Labor Standards Act. From July 1, 2005, the Company contributes 6% of the wages of the employees opting for the pension system of the Labor Pension Act to their personal pension account at the Bureau of Labor Insurance.

(II) Recent Fiscal Year and as of the Date of the Annual Report Publication, Losses Incurred Due to Labor Disputes (This includes results of labor inspections indicating violations of the Labor Standards Act. The details such as the date of disposition, disposition number, violated regulation articles, content of the violation, and the disposition itself should be clearly stated. Additionally, disclose the estimated amounts of potential future occurrences and the corresponding response measures). If it is not possible to reasonably estimate these amounts, an explanation of why they cannot be reasonably estimated should be provided.

In 2023 and 2024 as of the date of publication of the annual report, the Company did not suffer losses due to labor disputes.

VI. Information security management

(I) The Company's information communication security risk management framework, information communication security policy, specific management plan, and resources invested in information communication security management are as follows:

Risk item	Corresponding measures
Information security management	The company is actively collecting relevant data and participating in information security training programs. Based on the operational circumstances of the enterprise, the company will establish an "Information Security Management Procedure" and related operational rules that are appropriate for the industry's development and are compliant with legal and regulatory standards.
Personal information security maintenance	Currently, the company operates on a B2B model and does not transact with individual natural person customers. Therefore, the company is formulating an internal "Personal Data Security Management Procedure" to strictly manage the use and security of internal data.
Information risk control measure Information backup and redundancy	The Company built its own computer room. Regular backups are made on a second local device and off-site backups are stored in a bank safe deposit box located 2 kilometers away from the company.
Information service disruption	In the event of human, non-human, or natural disasters that threaten the company's information systems, a disaster recovery plan can be quickly implemented to restore system operations and minimize losses due to operational disruptions.
Other information security risks	The company has established an internal firewall and has further signed a cybersecurity protection blocking service contract with Chunghwa Telecom. Cybersecurity protections and interceptions are implemented from the network source to comprehensively reduce cybersecurity risks.

(II) For the most recent fiscal year and up to the date of the annual report publication, the losses incurred, potential impacts, and measures taken due to significant information security incidents: In the year 2024, there were no events that jeopardized the company's information security.

VII. Important contracts:None.

Six. Financial overview

I. Condensed balance sheets and statements of comprehensive income for the last 5 years, showing the names of CPAs and their audit opinions

(I) Condensed balance sheet and statement of comprehensive income - IFRS

1. Condensed Balance Sheet (Consolidated)

Unit: NT$ thousand

Item \ Year		Financial information for the most recent five years (Note)					Financial information for the current year as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		1,120,778	1,195,751	1,505,927	1,155,439	982,993	1,018,776
Property, plants, and equipment		353,691	321,328	280,174	264,115	299,794	364,097
Intangible Assets		0	0	0	0	106,587	130,129
Other assets		297,928	307,839	259,312	258,200	272,698	319,146
Total assets		1,772,397	1,824,918	2,045,413	1,677,754	1,662,072	1,832,148
Current liabilities	Before distribution	617,827	757,929	923,944	548,203	680,357	740,651
	After distribution	617,827	757,929	923,944	548,203	680,357	740,651
Non-current liabilities		105,295	107,591	111,179	109,578	103,462	192,105
Total liabilities	Before distribution	723,122	865,520	1,035,123	657,781	783,819	932,756
	After distribution	723,122	865,520	1,035,123	657,781	783,819	932,756
Equity attributable to owners of the parent company		1,049,275	959,398	1,010,290	1,019,973	878,253	879,865
Share capital		1,127,192	1,127,192	1,127,192	1,127,192	1,127,192	1,127,192
Capital surplus		226,697	226,697	226,697	226,697	226,697	229,914
Retained earnings	Before distribution	(218,232)	(307,969)	(241,316)	(252,744)	(384,386)	(418,961)
	After distribution	(218,232)	(307,969)	(241,316)	(252,744)	(384,386)	(418,961)
Other equity		(86,382)	(86,522)	(102,283)	(81,172)	(91,250)	(58,280)
Treasury stocks		0	0	0	0	0	0
Non-controlling interests		0	0	0	0	0	19,527
Total equity	Before distribution	1,049,275	959,398	1,010,290	1,019,973	878,253	899,392
	After distribution	1,049,275	959,398	1,010,290	1,019,973	878,253	899,392

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

Note 2: The financial information of Q1, 2024 has been revieweded and certifird by CPAs

2. Condensed Balance Sheet (standalone)

Unit: NT$ thousand

Item \ Year		Financial information for the past 5 fiscal years (Note)					Financial information for the current year as of March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		426,738	425,605	554,603	412,966	303,082	Not applicable
Property, plants, and equipment		126,126	119,861	114,430	108,738	196,751	
Intangible Assets		0	0	0	0	9,381	
Other assets		990,854	934,225	989,257	936,901	1,011,921	
Total assets		1,543,718	1,479,691	1,658,290	1,458,605	1,521,135	
Current liabilities	Before distribution	443,139	480,612	592,436	381,352	605,542	
	After distribution	443,139	480,612	592,436	381,352	605,542	
Non-current liabilities		51,304	39,681	55,564	57,280	37,340	
Total liabilities	Before distribution	494,443	520,293	648,000	438,632	642,882	
	After distribution	494,443	520,293	648,000	438,632	642,882	
Equity attributable to owners of the parent company		1,049,275	959,398	1,010,290	1,019,973	878,253	
Share capital		1,127,192	1,127,192	1,127,192	1,127,192	1,127,192	
Capital surplus		226,697	226,697	226,697	226,697	226,697	
Retained earnings	Before distribution	(218,232)	(307,969)	(241,316)	(252,744)	(384,386)	
	After distribution	(218,232)	(307,969)	(241,316)	(252,744)	(384,386)	
Other equity		(86,382)	(86,522)	(102,283)	(81,172)	(91,250)	
Treasury stocks		0	0	0	0	0	
Non-controlling interests		0	0	0	0	0	
Total equity	Before distribution	1,049,275	959,398	1,010,290	1,019,973	878,253	
	After distribution	1,049,275	959,398	1,010,290	1,019,973	878,253	

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

3. Summary statement of comprehensive income (consolidated)

Unit: NT$ thousand

Item \ Year	Financial information for the past 5 fiscal years (Note 1)					Financial information for the current year as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating income	1,349,993	1,204,921	1,574,747	1,497,478	1,150,689	264,254
Gross profit	126,500	102,275	122,104	190,741	143,485	44,433
Operating profit and loss	(104,465)	(106,937)	(88,974)	(28,046)	(156,265)	(32,448)
Non-operating income and expenses	18,895	(5,570)	191,130	71,478	(19,729)	29
Profit (loss) before tax	(85,570)	(112,507)	102,156	43,432	(175,994)	(32,419)
Profit (loss) from continuing operations for the period	(85,570)	(101,745)	75,214	(13,486)	(131,396)	(34,636)
Loss from discontinued operations	0	11,605	(8,285)	0	0	0
Net income (loss) for the period	(87,984)	(90,140)	66,929	(13,486)	(131,396)	(34,636)
Other comprehensive income for the period (net after tax)	(14,330)	263	(16,037)	23,169	(10,324)	32,970
Net income attributable to owners of the parent company	(87,984)	(90,140)	66,929	(13,486)	(131,396)	(34,575)
Net income attributable to non-controlling interests	0	0	0	0	0	(61)
Total comprehensive income attributable to owners of the parent company	(102,314)	(89,877)	50,892	9,683	(142,720)	(1,605)
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	(61)
Earnings per share	(0.78)	(0.80)	0.59	(0.12)	(1.17)	(0.31)

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

Note 2: The financial information of Q1, 2024 has been reviewed and certified by CPAs.

4. Condensed Statement of Comprehensive Income (parent company only)

Unit: NT$ thousand

Item \ Year	Financial information for the past 5 fiscal years (Note)					Financial information for the current year as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating income	825,180	817,400	880,581	698,712	533,710	Not applicable
Gross profit	27,013	35,739	38,685	43,020	21,670	
Operating profit and loss	(79,540)	(53,947)	(48,633)	(48,446)	(95,215)	
Non-operating income and expenses	(10,800)	(46,149)	131,440	39,079	(67,547)	
Profit (loss) before tax	(90,340)	(100,096)	82,807	(9,367)	(162,762)	
Profit (loss) from continuing operations for the period	(87,984)	(90,140)	82,807	(9,367)	(131,396)	
Discontinuing operation losses	0	0	0	0	0	
Net income (loss) for the period	(87,984)	(90,140)	66,929	(13,486)	(131,396)	
Other comprehensive income for the period (net after tax)	(14,330)	263	(16,037)	23,169	(10,324)	
Net income attributable to owners of the parent company	(87,984)	(90,140)	66,929	(13,486)	(131,396)	
Net income attributable to non-controlling interests	0	0	0	0	0	
Total comprehensive income attributable to owners of the parent company	(102,314)	(89,877)	50,892	9,683	(141,720)	
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0	
Earnings per share	(0.78)	(0.80)	0.59	(0.12)	(1.17)	

Notes: 1. The above financial information has been audited and certified by CPAs.

(II) Condensed balance sheet and income statement - R.O.C. Financial Accounting Standards: Not applicable.

(III) Names of CPAs in the most recent five years and their audit opinions

1. Names of CPAs in the most recent five years and their audit opinions:

Year	Name of firm	CPA	Opinions
2019	Deloitte Taiwan	Chang Ching-Jen, Chen Chih-Yuan	Unqualified opinion (Note)
2020	Deloitte Taiwan	Chang Ching-Jen, Chen Chih-Yuan	Unqualified opinion (Note)
2021	Deloitte Taiwan	Huang Yao-Lin, Fan Han-Ni	Unqualified opinion (Note)
2022	Deloitte Taiwan	Huang Yao-Ling, Chou Shih-Chieh	Unqualified opinion (Note)
2023	Deloitte Taiwan	Huang Yao-Ling, Chou Shih-Chieh	Unqualified opinion (Note)

Note: Based on the audit results of CPAs and the audited reports of other CPAs from 2019 to 2023, the consolidated financial statements are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards and interpretation announcement, and therefore, the CPA has issued an unqualified opinion for the years 2019-2023.

2. Explanations on changes of CPA in the last 5 years:

The Company's original CPAs were Huang Yao-Lin and Fang Han-Ni of Deloitte Taiwan. Due to internal adjustment of the firm, the CPAs were changed to Huang Yao-Lin and Chou Shih-Chieh by resolution adopted at the Board meeting on 2022.8.3.

II. Financial analyses for the past 5 fiscal years

(I) Financial Analysis - International Financial Reporting Standards (Consolidated)

Unit: NT$ thousand

Analysis item (Note 3)	Year (Note 1)	Financial analyses for the past 5 fiscal years					As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Ratio of liabilities to assets	40.80	47.43	50.61	39.21	47.16	50.91
	Ratio of long-term funds to real estate, plant, and equipment	296.66	298.57	360.59	386.19	327.46	299.78
Solvency (%)	Current ratio	181.41	157.77	162.99	210.77	144.48	137.55
	Quick ratio	128.41	106.50	123.78	150.27	104.48	101.43
	Times interest earned	(22.25)	(22.51)	(20.39)	(8.77)	(34.09)	(11.73)
Operating capabilities	Accounts receivable turnover ratio (times)	2.55	2.75	2.82	2.95	2.98	2.74
	Average collection days	143.13	132.72	129.43	123.72	122.48	133.21
	Inventory turnover (times)	3.68	3.75	4.24	3.88	3.49	3.48
	Accounts payable turnover ratio (times)	2.79	2.65	2.92	3.21	3.27	2.85
	Average sales days	99.18	97.33	86.08	94.07	104.58	104.88
	Property, plant and equipment turnover (times)	3.82	4.11	5.62	5.67	4.08	3.53
	Total asset turnover ratio (times)	0.76	0.72	0.77	0.89	0.69	0.58
Profitability	Return on assets (%)	(4.58)	(4.82)	3.26	(0.92)	(7.63)	(7.46)
	Return on assets (%)	(8.00)	(8.98)	6.80	(1.33)	(13.84)	(15.73)
	Ratio of net income before tax to paid-in capital (%)	(7.59)	(8.95)	9.06	3.85	(15.61)	(2.88)
	Profit margin (%)	(6.52)	(6.82)	4.25	(0.90)	(11.42)	(13.11)
	Earnings per share (NT$)	(0.78)	(0.80)	0.59	(0.12)	(1.17)	(0.31)
Cash flow	Cash flow ratio (%)	4.30	1.44	(17.88)	20.44	(3.00)	(0.66)
	Cash flow adequacy ratio (%)	35.52	32.27	(129.92)	(61.61)	(14.24)	(16.04)
	Cash reinvestment ratio (%)	1.40	0.61	(9.01)	6.07	(1.34)	(0.29)
Leverage	Operating leverage	(0.51)	(0.52)	(0.61)	0.25	0.77	0.70
	Financial leverage	0.97	0.96	1.06	1.19	0.97	0.93

Reasons for changes of 20% in financial ratios over the past 2 fiscal years:

1. The decrease in financial structure ratios is mainly due to the increase in borrowings required for working capital this year, which resulted in the increase in liabilities.
2. The decrease in solvency is mainly due to the increase in short-term borrowings required for working capital this year, resulting in an increase in current liabilities.
3. The turnover rate of fixed assets and total asset turnover rate of operating capacity decreased mainly due to the decrease of revenue for the year.
4. The decrease in profitability is mainly due to the decrease in revenue for the year.
5. The decrease in cash flow ratio is mainly due to the net cash outflow from operating activities as a result of the decline in revenue this year.
6. The increase in operating leverage is mainly due to the decline in revenue for the year.

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

Note 2: The financial information of Q1, 2024 has been reviewed and certified by CPAs.

(II) Financial analysis - International Financial Reporting Standards (Standalone)

Unit: NT$ thousand

Item	Year (Note)	2019	2020	2021	2022	2023	As of March 31, 2024
		Financial analyses for the past 5 fiscal years					
Financial structure (%)	Ratio of liabilities to assets	32.03	35.16	39.08	30.07	42.26	Not applicable
	Ratio of long-term funds to real estate, plant, and equipment	831.93	800.43	882.89	938.01	465.36	
Solvency (%)	Current ratio	96.30	88.55	93.61	108.29	50.05	
	Quick ratio	80.92	71.92	82.30	94.68	38.44	
	Times interest earned	(53.82)	(61.02)	39.20	(2.81)	(57.05)	
Operating capabilities	Accounts receivable turnover ratio (times)	2.72	2.93	2.72	2.57	2.83	
	Average collection days	134.44	124.47	134.19	142.02	128.97	
	Inventory turnover (times)	10.33	10.56	11.46	11.03	9.13	
	Accounts payable turnover ratio (times)	2.66	2.55	2.54	2.20	1.88	
	Average sales days	35.32	34.58	31.84	33.09	39.97	
	Property, plant and equipment turnover (times)	6.54	6.82	7.70	6.43	3.49	
	Total asset turnover ratio (times)	0.53	0.55	0.53	0.48	0.36	
Profitability	Return on assets (%)	(5.20)	(5.88)	4.38	(0.74)	(8.67)	
	Return on assets (%)	(8.00)	(8.98)	6.80	(1.33)	(13.84)	
	Ratio of net income before tax to paid-in capital (%)	(8.01)	(8.88)	7.35	(0.83)	(14.44)	
	Profit margin (%)	(10.66)	(11.03)	7.60	(1.93)	(24.62)	
	Earnings per share (NT$)	(0.78)	(0.80)	0.59	(0.12)	(1.17)	
Cash flow	Cash flow ratio (%)	(7.26)	(10.33)	(14.11)	19.84	(13.13)	
	Cash flow adequacy ratio (%)	(427.33)	(450.11)	(749.59)	(349.59)	(108.29)	
	Cash reinvestment ratio (%)	(2.82)	(4.79)	(7.55)	6.75	(8.29)	
Leverage	Operating leverage	0.90	0.85	0.84	0.85	0.91	
	Financial leverage	0.98	0.97	0.96	0.95	0.97	

Reasons for changes of 20% in financial ratios over the past 2 fiscal years:

1. The decrease in financial structure ratios is mainly due to the increase in borrowings required for working capital this year, which resulted in the increase in liabilities.
2. The decrease in solvency is mainly due to the increase in short-term borrowings required for working capital this year, resulting in an increase in current liabilities.
3. The turnover rate of fixed assets and total asset turnover rate of operating capacity decreased mainly due to the decrease of revenue for the year.
4. The decrease in profitability is mainly due to the decrease in revenue for the year.
5. The decrease in cash flow ratio is mainly due to the net cash outflow from operating activities as a result of the decline in revenue this year.

Note: The financial information for the above years has been auditec and certified by CPAs.

(III) The financial ratios are calculated as follows:

1. Financial structure
   (1) Debt to Asset Ratio = Total Debt / Total Assets.
   (2) Long-term Capital to Property, Plant, and Equipment Ratio = (Total Equity + Non-current Liabilities) / Net Property, Plant, and Equipment.
2. Solvency
   (1) Current Ratio = Current Assets / Current Liabilities.
   (2) Quick Ratio = (Current Assets - Inventory - Prepaid Expenses) / Current Liabilities.
   (3) Interest Coverage Ratio = Earnings Before Interest and Taxes (EBIT) / Interest Expense for the Period.
3. Operating capabilities
   (1) Receivables Turnover Ratio = Net Sales / Average Receivables (including accounts receivable and notes receivable arising from operations).
   (2) Average Collection Days = 365 / Receivables Turnover Ratio.
   (3) Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory.
   (4) Payables Turnover Ratio = Cost of Goods Sold / Average Payables (including accounts payable and notes payable arising from operations).
   (5) Average Sales Days = 365 / Inventory Turnover Ratio.
   (6) Property, Plant, and Equipment Turnover Ratio = Net Sales / Average Net
   (7) Total Asset Turnover Ratio = Net Sales / Average Total Assets.
4. Profitability
   (1) Return on Assets = [(Net Income + Interest Expense × (1 - Tax Rate))] / Average Total Assets.
   (2) Return on Equity = Net Income / Average Total Equity.
   (3) Net Profit Margin = Net Income / Net Sales.
   (4) Earnings Per Share = (Net Income Attributable to the Parent Company Owners - Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding.
5. Cash flow
   (1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities in the most recent five years / (Capital expenditure + Increase in inventory + Cash dividends) in the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross property, plant, and equipment + Long-term investments + Other non-current assets + Working capital).
6. Leverage:
   (1) Operating leverage = (Net operating income - Variable operating costs and expenses) / Operating income.
   (2) Financial leverage = Operating income / (Operating income - Interest expenses).

(IV) Financial analysis - Financial Accounting Standards of our country: Not applicable.

III. Latest annual financial report Audit Committee Review Report

Ji-Haw Industrial, Co., Ltd.

Audit Committee's Review Report

The board of directors submitted the company's 2023 annual business report, consolidated financial statements, individual financial statements, and loss appropriation proposals for review. The consolidated and individual financial statements were audited and certified by accountants Huang Yao Lin and Chou Shih Chieh from Deloitte Taiwan, and an audit report was issued. The aforementioned business report, consolidated financial statements, individual financial statements, and loss appropriation proposals have been thoroughly reviewed by this Audit Committee and found to be compliant. Therefore, in accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, a report has been prepared for review.

Sincerely,

Ji-Haw Industrial, Co., Ltd. held 2024 general shareholders' meeting

Ji-Haw Industrial, Co., Ltd.

Audit Committee Convener: Wang En Guo

May 13, 2024

IV. Financial report for the most recent fiscal year

Please refer to P1244-P200 (Appendix 1)

V. Parent company only financial statement for the most recent year, audited and certified by CPAs:

Please refer to P201-P271 (Appendix 2)

VI. If the company or its affiliates experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation

None.

Seven. Review and Analysis of Financial Position and Financial Performance, and Risks

I. Financial Position

The main reasons for the material changes in assets, liabilities and equity in the most recent two years and the impact, if significant, plans to respond in the future:

Unit: NT$ thousand

Item \ Year	2023	2022	Increase (decrease) amount	Ratio of change (%)
Current assets	982,993	1,155,439	(172,446)	(14.92)
Long-term equity investment	20,826	99,299	(78,473)	(79.03)
Fixed assets	299,794	264,115	35,679	13.51
Other assets	358,459	158,901	199,558	125.59
Total assets	1,662,072	1,677,754	(15,682)	(0.93)
Current liabilities	680,357	548,203	132,154	24.11
Non-current liabilities	103,462	109,578	(6,116)	(5.58)
Total liabilities	783,819	657,781	126,038	19.16
Share capital	1,127,192	1,127,192	0	0.00
Capital surplus	226,697	226,697	0	0.00
Retained earnings	(384,386)	(252,744)	(131,642)	52.09
Total equity of shareholders	878,253	1,019,973	(141,720)	(13.89)

I. Analysis of ratio changes reaching 20 percent:
1. Decrease in long-term equity investments: Mainly due to recognition of impairment losses on equity method investments of investee companies.
2. Increase in other assets: Mainly due to the acquisition of subsidiary resulting in goodwill and prepaid land and building costs.
3. Increase in current liabilities: Mainly due to increased borrowings required for working capital.
4. Decrease in retained earnings: Mainly due to declining revenue.

II. Impact of significant changes in the financial condition over the past two years and future response plans:
The above changes are all related to normal operating activities and have no significant impact on the company. The overall performance of the company is not significantly abnormal, and there should be no need to formulate response plans.

II. Financial performance

Major reasons for significant changes in operating income, net profit, and pre-tax net profit over the past two years and expected sales quantities and their basis, as well as potential impacts on the company's future financial operations and response plans:

Unit: NT$ thousand

Year Item	2023	2022	Increase (decrease) amount	Ratio of change (%)
Net operating income	1,150,689	1,497,478	(346,789)	(23.16)
Operating costs	1,007,204	1,306,737	(299,533)	(22.92)
Gross profit	143,485	190,741	(47,256)	(24.77)
Operating expenses	299,750	218,787	80,963	37.01
Operating loss	(156,265)	(28,046)	(128,219)	457.17
Non-operating income and expenses	(19,729)	71,478	(91,207)	(127.60)
Profit (loss) before tax	(175,994)	43,432	(219,426)	(505.22)
Income tax expense (profit)	(44,598)	56,918	(101,516)	(178.35)
Net income (loss) for the year	(131,396)	(13,486)	(117,910)	874.31
Other comprehensive income for the year	(10,324)	23,169	(33,493)	(144.56)
Total comprehensive income for the year	(141,720)	9,683	(151,403)	(1563.60)

I. Analysis of ratio changes reaching 20 percent:

1. Decrease in revenue and gross profit: Mainly due to the decline in the PC and mobile phone markets this year, resulting in a decrease in revenue.
2. Increase in operating expenses: mainly due to the acquisition of new subsidiaries, consolidation of operating expenses into the consolidated financial statements, and increase in personnel expenses.
3. The increase in operating loss, net loss before tax and net loss for the year: Mainly due to the decrease in revenue and the increase in operating expenses.
4. Decrease in non-operating income and expenses: mainly due to the increase in loss from disposal of equipment and the decrease in foreign currency exchange gain due to exchange rate fluctuations.
5. Increase of income tax income: due to the increase of deferred income tax income.
6. Decrease in other comprehensive income for the year: Mainly due to changes in exchange rates that resulted in the recognition of exchange differences on the translation of the financial statements of foreign operating agencies.

II. The expected sales volume and the basis thereof, the possible impact on the Company's future finance and business, and the response plan:

The Company did not issue a financial forecast, so the estimated sales volume and its basis are not applicable. The Company will continue to provide high-quality products and services to meet the needs of customers in different areas, and is expected to maintain a certain growth momentum to ensure a sound and stable financial structure.

III. Cash flow

(I) Analysis of changes in cash flow in the most recent year:

Item / Year	2023	2022	Amount of change	Increase (decrease) amount (%)
Net cash flow from operating activities	(20,394)	112,079	(132,473)	(118.20)
Net cash flows from investing activities	(288,323)	79,838	(368,161)	(461.14)
Net cash flows from financing activities	197,450	(180,309)	377,759	(209.51)

Analysis of ratio changes reaching 20 percent:

1. The decrease in cash flow from operating activities is mainly due to the decrease in profit in the current year.
2. Cash flow from investing activities decreased mainly due to acquisition of subsidiaries, new equity method long-term investment, and purchase of property, plant and equipment.
3. Increase in cash flow from financing activities is mainly due to the increased borrowings required for operations.

(II) Improvement plan for inadequate liquidity: Not applicable.

(III) Analysis of cash liquidity for the next year:

Unit: NT$ thousand

Cash balance, beginning (1)	Expected net cash flow from operating activities for the year (2)	Projected cash outflow for the year (3)	Projected cash surplus (deficit) amount (1) + (2) - (3)	Remedies for projected cash shortfalls to maintain a comparable cash balance	
				Investment plan	Financing plan
276,271	100,000	200,000	176,271	None	None

1. (III) Analysis of changes in cash flows for the coming year:
   (1) Business activities: The economy is expected to recover slowly with flat profitability.
   (2) Investing activities: It is expected that there will be no cash inflow (outflow) from material addition and disposal in the future.
   (3) Fund-raising activities: Cash inflow from private placement is expected.
2. Expected remedial measures for insufficient cash: No such situation.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

No significant impact.

V. Re-investment policy in the most recent year, the main reason for profit or loss, and its improvement plan and investment plan for the coming year

(I) Reinvestment Analysis Table

Unit: NTD in thousands on December 31, 2023

Name of subsidiary	Investment amount	Recognition of investment gains and losses in 2023.	Policy	Main reasons for gain or loss	Improvement plan
J.B.T Industrial Co., Ltd.	207,215	(47,211)	Overseas base	Adjustment stage for the development of product lines, new products and customer sources.	Strengthen operations management
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	265,728	(50,656)	Overseas base	Adjustment stage for the development of product lines, new products and customer sources.	Strengthen operations management
Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K)	2,768	914	Overseas base	Interest revenue from bank deposits	Strengthen operations management
Ji-Haw Investment Co., Ltd. (J.H.I.)	9,649	139	Overseas base	Profit gained for investment in overseas financial products or stocks.	Strengthen operations management
JI-HAW TECHNOLOGY VN CO., LTD （J.H.V）	3,159	(114)	Overseas base	Operating expenses for initial setup	Strengthen operations management
CHINTEK INC.	98,000	(8,396)	Market expansion	Software design and development requirements	Strengthen operations management
CERMAX CO., LTD.	20,000	(846)	Market expansion	Adjustment stage for the development of product lines, new products and customer sources.	Strengthen operations management

(II) Future investment plan: Within the scope permitted by laws and regulations, moderate adjustments will be made in response to the expansion of the business scale.

VI. Analysis and assessment of risks

(I) Impacts of changes in interest rate, exchange rate and inflation on the Company's profit and loss and countermeasures:

1. Effect of changes in interest rates and exchange rates on the Company's profit or loss

Unit: NT$ thousand; %

Item	2023 2016	
	Amount	As a percentage of operating revenue
Net interest expense	(5,016)	(0.44)
Foreign exchange gains and losses	14,202	1.23
Net operating income	1,150,689	

Source: Financial report audited by accountants

2. Measures the Company plans to adopt in response to interest rate changes

   The Company keeps in close contact with the banks while paying attention to changes in the market in order to obtain more favorable borrowing rates from banks.

3. Impact of exchange rate changes upon the Company's revenue

   The Company mainly supplies connector components and parts for various types of information products and consumer electronics products. The proportion of export sales is approximately 90%, with the largest proportion received and paid in U.S. dollars. Given this, the U.S. dollar exchange rate has a significant impact on the Company's exchange rate. While the U.S. dollar is depreciating, the Company has exchange rate losses; when it is appreciating, the Company has exchange rate gains. Overall, the exchange rate gains and losses were within an acceptable range.

4. Measures the Company plans to adopt in response to exchange rate changes

   Some of the Company's products are quoted in foreign currencies. In addition to keeping a close eye on the latest exchange rates with real-time information, the Accounting Department keeps abreast of the domestic and foreign economic situation and makes forecasts on exchange rate trends. According to the daily foreign currency balances and projected income and expenditures, the Accounting Departments makes plans for hedging exchange rate risks through advance settlement or pre-selling of foreign currencies.

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

1. The Company has been committed to operating within its industry since its establishment and there have been no high-risk or high-leveraged investment activities.
2. The Company provides loans to others and makes endorsements and guarantees. This is performed in accordance with the regulations set forth in the Company's "Procedures for Loaning Funds to Others" and "Regulations for Endorsements and Guarantees".
3. The Company does not engage in derivative products.

(III) Future research and development projects, and expenditures expected in connection therewith: All R&D projects are according to plan.

(1) Future R&D plans:

A. R&D of automotive wiring harness

As a critical component in the automotive system, automotive wiring harness will develop in a highly intelligent direction in the future. As automotive technology continues to improve, we will see more smart components and sensors being added to enable smarter control of automotive systems. Future automotive wiring harnesses will need to integrate more electronic components and sensors with different functions, such as sound systems, navigation equipment, in-car cameras and multimedia entertainment, to meet the changing needs of cars. In response to this trend and demand, we are conducting a series of R&D work on common automotive wiring harnesses, aiming to develop more advanced and smarter automotive wiring harness products to meet the development of future automotive technology.

- Battery cable: The power cable from the vehicle battery to the vehicle system. It is used to provide the power required by the entire system.
- Startup wire: Transmit the power from the battery to the starter of the engine to start the engine.
- Charging cable: used to transmit the power generated by the generator back to the vehicle battery for charging.
- Lighting cable: used to supply the power required for the vehicle lighting system, including headlamps, rear lamps, direction lamps and brake lamps.
- A/C cable: used to control the A/C system of the vehicle, including A/C compressors, fans, and temperature controllers.
- Fuel transmission line: used to transmit the fuel to the fuel system of the engine, including the fuel pump, fuel injector and fuel pressure regulator.
- Brake cable: used to control the braking system of the vehicle, including the brake pedal and the braking device.
- Transmission cable: used to control the transmission and transmission system of the vehicle, including the gearbox and transmission.
- System monitoring cable: used to monitor the state and failure of the vehicle system, including failure indicator and monitoring instrument.

B. R&D of high-frequency cables

The transmission line in consumer electronic products plays a key role in transmitting signals or power to different components. In order to ensure the user experience and product stability, these transmission cables need to meet the relevant association specifications to ensure that their performance is stable and compliant with the standards. We are concentrating on the research and development of the latest Consumer Electronics Transmission Cable Association specifications in order to respond to changes in market demand and meet consumer demand for product performance and quality.

- USB4 is the latest USB specification that provides higher transmission rate and more functions, including functions such as transmission rate up to 80 Gbps, support for multiple device connections, and support for higher power input and output. The USB4 standard transmission cable supports the USB Type-C connector and is compatible with Thunderbolt 3.
- HDMI 2.1 is the latest version of the HDMI standard for connecting high-definition displays and other audio/video devices. It supports higher

transmission rate, higher resolution, and higher color depth. The HDMI 2.1 standard transmission line supports the transmission rate of 48 Gbps, and has a durable enclosure and anti-interference design to ensure high-quality video and audio transmission.

- DisplayPort 40 is the latest DisplayPort standard that provides higher transmission rate and higher resolution, supporting up to 80Gbps transmission rate and 16K resolution. The transmission cable of the DisplayPort 2.0 standard also supports the USB Type-C connector and is highly reliable and durable.

(2) Estimated R&D expenses:

A. NTD 15 million is expected to be invested in the R&D of automotive wiring harness assembly products in 2024.

B. The R&D of high-frequency, special wires and wire assemblies is expected to cost NTD 25 million in 2024.

(IV) The impact upon the company’s financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response:

As of the date the annual report was published, the company has no ongoing litigation.

(V) Impact of technological changes (including information security risks) and industry changes on the company’s financial operations and response measures:

Since 2010, the Company has introduced an Enterprise Resource Planning (ERP) system which has been continuously optimized and upgraded to respond to the growth and adjustment of the business. In doing this, the ERP system is in line with the streamlining and optimization of the Company’s integration of system resources. We introduced an e-commerce system in 2012 to optimize the manual process of sales, gradually increasing efficiency. The management of the company and its subsidiaries has implemented a Virtual Private Network (SSL-VPN) to effectively utilize information technology personnel, aiming to reduce costs and enhance corporate competitiveness.

(VI) Impact of changes in corporate image on crisis management and response measures:

The Company has always been committed to operating within its industry, with a goal of establishing a positive social image and fulfilling its social responsibility. There have been no incidents that could have damaged the Company’s corporate image.

(VII) Expected benefits, potential risks, and response measures for the acquisition:

After the acquisition of CHINTEK INC., it is expected that we will directly obtain certifications from some Japanese automotive manufacturers, along with several proprietary AI algorithms and related computing power for automotive use, accelerating the implementation of Ji-Haw’s future vehicle products and AI business layout. There are no other significant risks.

(VIII) Expected benefits, potential risks, and response measures for expanding the factory: None.

(IX) Risks and response measures associated with concentration in purchasing or sales: None.

(X) Impact, risks, and response measures regarding significant share transfers or replacements by directors, supervisors, or shareholders holding more than ten percent of the shares: As of the date of the annual report publication, there have been no such instances in the company.

(XI) Impacts, risks, and responsive measures of a change in management rights:

The Company has a professional management team, and will not compromise the

Company's advantages in management and operation due to changes in the management rights.

(XII) Litigation or non-litigation events, including finalized judgments or ongoing significant legal, non-litigation, or administrative disputes involving the company, its directors, supervisors, general manager, actual responsible persons, shareholders holding more than ten percent of the shares, and subsidiaries, which could significantly affect shareholders' equity or the price of securities, should disclose the contested facts, the amount in dispute, the start date of the litigation, the main parties involved in the dispute, and the status up to the date of the annual report publication: None.

(XIII) Other significant risks and response measures: None.

VII. Other important matters

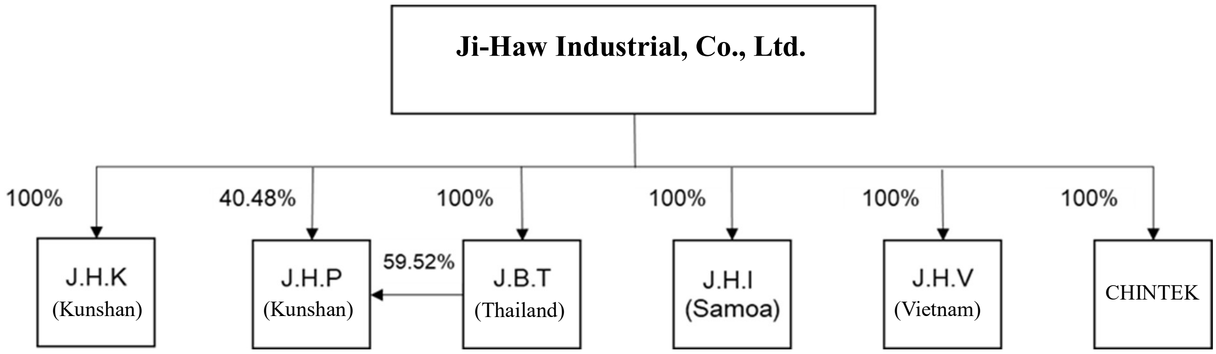
None .

Eight. Special Notes

I. Information on affiliates

(I) Consolidated business report of affiliated companies (as of December 31, 2023)

1. Organizational chart of domestic and foreign affiliates:



2. Basic information on each affiliate:

Name of company	Date of establishment	Address	Paid-in capital	Main Business Activities
Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K) (Note 1)	1997/12/31	No.110 Jiang Feng Road, Kunshan Economic Technology Development Zone, Zhangpu Complex Area, Jiangsu Province, P.R.C.	USD 100 thousand	Manufacturing and trading of computer cables or plugs
J.B.T Industrial Co., Ltd. (J.B.T)	1999/12/31	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	THB 186,000 thousand	Manufacturing and trading of computer cables or plugs
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	2001/10/25	No.110 Jiang Feng Road, Kunshan Economic Technology Development Zone, Zhangpu Complex Area, Jiangsu Province, P.R.C.	USD 12,600 thousand	Manufacturing and trading of computer cables or plugs, precision ceramics, and precision molds
Ji-Haw Investment Co., Ltd. (J.H.I.)	2016/01/06	Sertus Chambers, P.O. Box603, Apia, Samoa	USD 300 thousand	Investing in overseas financial products and stocks
JI-HAW TECHNOLOGY VN CO., LTD（J.H.V）	2023/09/27	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	VND 2,312,000 thousand	Trading of computer cables or plugs, precision ceramics, precision molds and other products
CHINTEK INC. (CHINTEK)	2015/11/05	19F-6, No. 7, Sec. 3, New Taipei Boulevard, Xinzhuang District, New Taipei City	NTD 16,000 thousand	Software development and design

Note1: The company was renamed Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. from Ji-Haw Electronics (Kunshan) Co., Ltd. on September 25, 2023.

3. Information on the same shareholders presumed to have control and affiliation: None.
4. Businesses covered by the affiliates:

   Production and trading of computer cables or plugs, software development and design products.
5. Information on directors, supervisors, and presidents of affiliates:

Name of company	Title	Name or representative	Number of shares held	
			No. of shares	Shareholding ratio
Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K)	Chairman President Director Supervisor	Ji-Haw Industrial, Co., Ltd. David Lai Jess Lin David Lai, Shih Hao Ji , Jess Lin, Chen Wen Wei Chen Po Rong	Note 1	100 %
J.B.T Industrial Co., Ltd. (J.B.T)	Chairman President Director	Ji-Haw Industrial, Co., Ltd. David Lai Robert Chen David Lai, Jess Lin, Robert Chen	18,600 thousand shares	100 %
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Chairman President Director Supervisor	Ji-Haw Industrial, Co., Ltd. Hao-Ji Shi Jess Lin Shih Hao Ji , David Lai, Jess Lin Luo Fei Biao	Note 1	40.48 %
Ji-Haw Investment Co., Ltd. (J.H.I)	Director and representative	Ji-Haw Industrial, Co., Ltd. Lin Da-Sen	Note 1	100 %
JI-HAW TECHNOLOGY VN CO., LTD（J.H.V）	Director and representative	Ji-Haw Industrial, Co., Ltd. David Lai	Note 1	100%
CHINTEK INC. (CHINTEK)	Chairman President Director Supervisor	Ji-Haw Industrial, Co., Ltd. Hao-Ji Shi He Hong Zhe Shih Hao Ji , He Hong Zhe , Chen Wen Wei Chen Po Rong	1,600 thousand shares	100%

Note 1: No shares as it is a limited company

6. Financial position and results of operations of each affiliate:

Unit: NT$ thousand/EPS in NT$

Name of company	Amount of capital	Total asset value	Total liabilities	Net value	Operating income	Operating profit and loss	Current profit and loss (after tax)	Earnings per share (after tax)
Ji-Haw Artificial Intelligence Technology (Kunshan) Co., Ltd. (J.H.K)	2,768	79,115	198	78,917	0	(575)	914	Not applicable
J.B.T Industrial Co., Ltd. (J.B.T)	207,215	546,889	74,665	472,224	99,225	(24,060)	(47,211)	Not applicable
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	265,728	892,308	319,562	572,746	1,027,139	(27,675)	(50,656)	Not applicable
Ji-Haw Investment Co., Ltd. (J.H.I)	9,649	4,415	0	4,415	0	(3)	139	Not applicable
JI-HAW TECHNOLOGY VN CO., LTD（J.H.V）	3,159	3,163	395	2,768	0	(114)	(114)	Not applicable
CHINTEK INC. (CHINTEK)	16,000	28,097	35,682	(7,585)	5,858 (Note 2)	(8,644) (Note 2)	(8,372) (Note 2)	Not applicable

Note 1:Figures in this table are presented in New Taiwan dollars. Foreign currencies involved are translated into New Taiwan dollars at the exchange rate on the financial report date, except for net values and current profit and loss which are based on the carrying amount.

Note2: The operating revenue, operating profit and loss, and net profit and loss of CHINTEK INC.only include the amounts after the acquisition date

II. Private placement of securities in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

III. Holding or disposal of shares in the company by the company's subsidiaries in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

None.

IV. Other matters that require additional description

None.

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

None.

(Appendix I), 2023 Consolidated Financial Report

Stock Code: 3011

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Financial Statements and External Auditor's Report

2023 and 2022

Address: No. 53, Baoxing Road, Xindian District, New Taipei City
Tel: (02)29189189

Representation Letter

The companies to be included by the Company in the consolidated financial statement of affiliated companies in 2023 (from January 1 to December 31, 2023), pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statement of affiliates has been disclosed in said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated companies separately.

Stated hereby

Company name: Ji-Haw Industrial, Co., Ltd.

Responsible person: Shih Hao-Chi

March 15, 2024

Independent Auditor's Report

To Ji-Haw Industrial Co., Ltd.:

Opinions

We have duly audited the consolidated balance sheet of Ji-Haw Industrial Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2023 and 2022, as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of the Ji-Haw Industrial Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2023 and 2022.

Basis of Audit Opinion

We are entrusted to conduct the audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Ji-Haw Industrial Co., Ltd. and its subsidiaries 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 Issues

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 Ji-Haw Industrial Co., Ltd.

and its subsidiaries for the year 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Ji-Haw Industrial Co., Ltd. and its subsidiaries for the year 2023 are stated as follows:

Recognition of sales revenue

Ji-Haw Industrial Co., Ltd. and its subsidiaries are mainly engaged in the manufacturing, processing and trading of precision electronic connectors and sockets, connectors, wires, cables and various electronic components, as well as other industrial and commercial services. However, the overall market demand has declined this year, but the revenue for the sales to certain customers grew against the trend. As the amount and proportion of such increase are considered significant, we include the recognition of sales revenue from the customer as a key audit matter for Ji-Haw Industrial Co., Ltd. and its subsidiaries. For the accounting policies related to the recognition of operating revenue and relevant disclosure information, please refer to Notes 4 and 24 to the consolidated financial statements.

The main audit procedures that we have performed with respect to the above-mentioned key audit matters are as follows:

1. Understand and test the effectiveness of the design and implementation of the main internal control related to the sales revenue recognition.
2. In order to confirm the authenticity of the sales transactions, we select appropriate samples from the transaction details of customers with significant increase in sales revenue, check transaction vouchers, and confirm the fund remittance recipient and collection process.
3. Send letters to the balance of accounts receivable at the end of the year to customers with significant increases in sales revenue, and implement alternative procedures for those who fail to receive a confirmation in a timely manner, including checking the transaction vouchers and observing the post-period collection status.

Other Matters

Ji-Haw Industrial Co., Ltd. has prepared the parent company only financial statements for 2023 and 2022, and the audit reports with unqualified opinions that we have issued are on file for reference.

Responsibilities of the Management and Governance Body to the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial

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

In preparing the consolidated financial statements, the management's responsibilities also include assessing the ability of the Ji-Haw Industrial Co., Ltd. and its subsidiaries to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting, unless the management intends to liquidate Ji-Haw Industrial Co., Ltd. and its subsidiaries or cease operations, or has no other viable alternative but to liquidate or suspend business.

The governing body of Ji-Haw Industrial Co., Ltd. and its subsidiaries (including the Audit Committee) are responsible for supervising the financial reporting process.

Responsibilities of the Auditor When Auditing Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the Standards on Auditing cannot guarantee that material misstatements in the consolidated financial statements will be detected. 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ji-Haw Industrial Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ji-Haw Industrial Co., Ltd. and its subsidiaries 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 Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the 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 Ji-Haw Industrial, Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Ji-Haw Industrial, Co., Ltd. and its subsidiaries for the year 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

Huang Yao-Lin, CPA

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1060004806

Chou Shih-Chieh, CPA

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 15, 2024

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NT$ thousand

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	$ 276,271	17	$ 397,756	24
1110	Current financial assets at fair value through profit or loss (notes 4 and 7)	19,669	1	1,265	-
1136	Current financial assets at amortized cost (notes 4 and 9)	18,041	1	26,795	2
1140	Contract assets - current (Notes 4 and 24)	4,213	-	-	-
1170	Notes and accounts receivable (Notes 4, 10, and 24)	384,248	23	386,932	23
130X	Inventories (Notes 4 and 11)	253,748	15	324,255	19
1470	Other current assets (Notes 19 and 31)	26,803	2	18,436	1
11XX	Total current assets	982,993	59	1,155,439	69
	Non-current Assets				
1510	Non-current financial assets at fair value through profit or loss (notes 4 and 7)	-	-	336	-
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	9,017	-	-	-
1550	Investments accounted for using equity method (notes 4 and 13)	20,826	1	98,965	6
1600	Property, plant and equipment (Notes 4, 14 and 32)	299,794	18	264,115	16
1755	Right-of-use assets (notes 4, 15 and 16)	61,106	4	39,044	2
1760	Investment property (Notes 4, 16, and 32)	84,930	5	86,927	5
1805	Goodwill (Notes 4 and 17)	97,188	6	-	-
1821	Intangible assets (Notes 4 and 18)	9,399	1	-	-
1840	Deferred income tax assets (Notes 4 and 26)	32,531	2	28,927	2
1990	Other non-current assets (Note 19)	64,288	4	4,001	-
15XX	Total non-current assets	679,079	41	522,315	31
1XXX	Total assets	$ 1,662,072	100	$ 1,677,754	100
Code	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (Notes 20 and 32)	$ 310,500	19	$ 100,000	6
2130	Contract liabilities - current (Note 24)	135	-	-	-
2170	Notes and Accounts Payable	306,859	18	309,023	18
2200	Other payables (Note 21)	39,387	2	41,760	3
2230	Current income tax liabilities (Notes 4 and 26)	89	-	8,944	1
2280	Current lease liabilities (note 4 and 15)	9,101	1	935	-
2320	Long-term borrowings due within one year (Note 20)	3,140	-	-	-
2399	Other current liabilities (Note 31)	11,146	1	87,541	5
21XX	Total current liabilities	680,357	41	548,203	33
	Non-current liabilities				
2540	Long-term borrowings (Note 20)	10,908	1	-	-
2570	Deferred income tax liabilities (Notes 4 and 26)	22,990	1	54,895	3
2580	Non-current lease liabilities (note 4 and 15)	59,520	4	45,371	3
2640	Net defined benefit liabilities (Note 4 and 22)	886	-	823	-
2645	Guarantee deposits received (Note 4)	2,209	-	2,203	-
2670	Other non-current liabilities	6,949	-	6,286	-
25XX	Total non-current liabilities	103,462	6	109,578	6
2XXX	Total liabilities	783,819	47	657,781	39
	Equity (Notes 4 and 23)				
3100	Common shares	1,127,192	68	1,127,192	67
3200	Capital surplus	226,697	14	226,697	14
	Accumulated losses				
3310	Appropriated as legal capital reserve	23,586	2	23,586	1
3320	Special reserve	218,029	13	218,029	13
3350	Losses to be offset	(626,001)	(38)	(494,359)	(29)
3300	Total accumulated losses	(384,386)	(23)	(252,744)	(15)
3400	Other equity	(91,250)	(6)	(81,172)	(5)
3XXX	Total equity	878,253	53	1,019,973	61
	Total liabilities and equities	$ 1,662,072	100	$ 1,677,754	100

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Shih Hao-Ji General Manager: Lin Meng-Chieh Accounting Manager: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD Thousand, but NTD for the loss per share

		2023		2022	
Code		Amount	%	Amount	%
4000	Operating revenue (Note 4 and 24)	$ 1,150,689	100	$ 1,497,478	100
5000	Operating costs (Notes 11 and 25)	1,007,204	87	1,306,737	87
5950	Gross profit	143,485	13	190,741	13
	Operating expenses (Notes 10, 22, and 25)				
6100	Selling expenses	76,411	7	58,822	4
6200	Administrative expenses	151,484	13	113,840	8
6300	R&D expenses	60,855	5	50,610	3
6450	Impairment loss (reversal) of expected credit loss	11,000	1	(4,485)	-
6000	Total operating expenses	299,750	26	218,787	15
6900	Operating loss	(156,265)	(13)	(28,046)	(2)
	Non-operating income and expenses				
7100	Interest revenue (Notes 25 and 32)	4,500	-	2,933	-
7010	Other income (Notes 15 and 25)	18,370	2	24,411	2
7020	Other gains and losses (Note 25)	(19,864)	(2)	48,577	3
7050	Finance costs (Note 25)	(5,016)	-	(4,447)	-
7060	Share of the profit of associates accounted for using equity method (note 4 and 13)	(17,719)	(2)	4	-
7000	Total non-operating income and expenses	(19,729)	(2)	71,478	5

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Profit (loss) before tax	($ 175,994)	(15)	$ 43,432	3
7950	Income tax income (expense) (Notes 4 and 26)	44,598	4	(56,918)	(4)
8200	Net loss for the year	(131,396)	(11)	(13,486)	(1)
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 4 and 22)	(308)	-	2,573	-
8349	Income tax related to items not reclassified into profit or loss (Notes 4 and 26)	62	-	(515)	-
8310		(246)	-	2,058	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences from the translation of financial statements of foreign operations (note 4)	(10,078)	(1)	21,111	2
8360		(10,078)	(1)	21,111	2
8300	Other comprehensive income (after tax)	(10,324)	(1)	23,169	2
8500	Total comprehensive income for the year	($ 141,720)	(12)	$ 9,683	1
	Loss per share (Note 27)				
9710	Basic	($ 1.17)		($ 0.12)	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Shih Hao-Ji　　General Manager: Lin Meng-Chieh　　Accounting Manager: Chen Po-Rong

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

				Accumulated losses				Other equity			
Code		Share capital – Ordinary shares	Capital surplus	Appropriated as legal capital reserve	Special reserve	Losses to be offset	Total	Exchange differences from the translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Total equity
A1	Balance as of January 1, 2022	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 482,931)	($ 241,316)	($ 88,283)	($ 14,000)	($ 102,283)	$ 1,010,290
D1	Net loss in 2022	-	-	-	-	(13,486)	(13,486)	-	-	-	(13,486)
D3	Other comprehensive income after tax in 2022	-	-	-	-	2,058	2,058	21,111	-	21,111	23,169
D5	Total comprehensive income in 2022	-	-	-	-	(11,428)	(11,428)	21,111	-	21,111	9,683
Z1	Balance as of December 31, 2022	1,127,192	226,697	23,586	218,029	(494,359)	(252,744)	(67,172)	(14,000)	(81,172)	1,019,973
D1	Net loss in 2023	-	-	-	-	(131,396)	(131,396)	-	-	-	(131,396)
D3	Other comprehensive income after tax in 2023	-	-	-	-	(246)	(246)	(10,078)	-	(10,078)	(10,324)
D5	Total comprehensive income in 2023	-	-	-	-	(131,642)	(131,642)	(10,078)	-	(10,078)	(141,720)
Z1	Balance as of December 31, 2023	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 626,001)	($ 384,386)	($ 77,250)	($ 14,000)	($ 91,250)	$ 878,253

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Shih Hao-Ji General Manager: Lin Meng-Chieh Accounting Manager: Chen Po-Rong

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

Code		2023	2022
	Cash flows from operating activities		
A00010	Profit (loss) before tax	($ 175,994)	$ 43,432
A20010	Adjustments:		
A20100	Depreciation expense	35,942	35,171
A20200	Amortization Expenses	89	-
A20300	Impairment loss (reversal) of expected credit loss	11,000	(4,485)
A20900	Finance costs	5,016	4,447
A21200	Interest income	(4,500)	(2,933)
A20400	Loss (gain) on financial assets at FVTPL	(425)	1,021
A22300	Share of profit or loss of affiliated companies using the equity method	17,719	(4)
A22500	Loss (gain) on disposal of property, plants, and equipment	33,063	(1,257)
A23700	Reversal of write-down of inventories	(3,224)	(12,983)
A24100	Unrealized foreign currency exchange loss (gain)	(8,882)	4,015
	Changes in operating assets and liabilities		
A31125	Contract assets	(628)	-
A31150	Notes and Accounts Receivable	16,155	241,377
A31200	Inventories	77,406	26,948
A31240	Other current assets	(8,054)	14,287
A31250	Refundable deposits	(4,548)	1,520
A32125	Contract Liabilities	128	-
A32150	Notes and Accounts Payable	(7,446)	(197,238)
A32180	Other payables	(3,489)	(12,676)
A32240	Net defined benefit liabilities	(245)	(463)
A32230	Other current liabilities	2,316	25,684
A32990	Other operating liabilities	663	1,255
A33000	Cash generated from operations	(17,938)	167,118
A33300	Interest paid	(2,807)	(4,447)
A33500	Income tax received (paid)	351	(50,592)
AAAA	Net cash inflow (outflow) from operating activities	(20,394)	112,079

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Code		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	($ 36,387)	($ 836)
B00050	Proceeds from the disposal of financial assets at amortized cost	36,352	65,232
B00100	Acquisition of financial assets at fair value through profit or loss	(40,615)	(962)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	23,551	-
B01800	Acquisition of long-term equity investment under equity method	(20,000)	-
B02200	Acquisition of subsidiaries	(90,480)	-
B02300	Proceeds from the disposal of subsidiaries	-	25,489
B02700	Acquisition of property, plants, and equipment	(108,429)	(13,560)
B02800	Proceeds from disposal of property, plants, and equipment	8,548	1,553
B04500	Acquisition of intangible assets	(9,452)	-
B05350	Acquisition of right-of-use assets	(964)	-
B06700	Increase in other non-current assets	(54,947)	(11)
B07500	Interest received	4,500	2,933
BBBB	Net Cash Inflow (outflow) From Investing Activities	(288,323)	79,838
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	200,000	(179,345)
C01700	Repayment of long-term borrowings	(240)	-
C03000	Decrease (increase) in guarantee deposits received	6	(68)
C04020	Repayment of principal of lease liabilities	(2,316)	(896)
CCCC	Net cash inflow (outflow) from financing activities	197,450	(180,309)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(10,218)	3,517
EEEE	Net increase (decrease) in cash and cash equivalents	(121,485)	15,125
E00100	Cash and cash equivalents at beginning of period	397,756	382,631
E00200	Cash and cash equivalents at end of period	$ 276,271	$ 397,756

The accompanying notes are an integral part of the consolidated financial statements.

Chairman:
Shih Hao-Ji

General Manager:
Lin Meng-Chieh

Accounting Manager:
Chen Po-Rong

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 to December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

I. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency.

II. Date and procedure for adopting consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on March 13, 2024.

III. New standards, amendments, and interpretations adopted

(I) The first-time adoption of any International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs" below) that have been endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the accounting policies of the Company and the entities controlled by the Company (hereinafter referred to as the "consolidated company").

(II) IFRSs approved by the FSC applicable in 2024

New IFRSs	The effective date of issuance by the International Accounting Standards Board (IASB) (Note 1)
Amendments to IFRS 16 Regarding "Lease Liability in A Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	January 1, 2024
Amendments to IAS 7 and IFRS 7 regarding “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: 16 days after the initial application of IFRS, the amendments to IFRS 16 should be applied retroactively for all sales and leaseback transactions signed.

Note 3: Certain requirements on the disclosure may be exempted at the time of the Company's first application of the amendments.

As of the date the consolidated financial statements were approved for issue, the consolidated company continues to evaluate the impact of the amendments to the above standards and interpretations on its financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

(III) IFRS accounting standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 21 "Lack of Convertibility".	January 1, 2025 (Note 2)

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

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings as of the initial application date. When a non-functional currency is used as the presentation currency, the impact on the exchange differences of foreign operations under equity on the date of initial application will be adjusted.

As of the date the consolidated financial statements were approved for issue, the consolidated company continues to evaluate the impact of the amendments to the above standards and interpretations on its financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standard endorsed and issued into effect by the FSC.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets, the consolidated financial statements have been prepared on the basis of historical cost.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within twelve months after the reporting period; and
3. Cash and cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date (even if a long-term refinancing or payment rearrangement agreement has been completed after the balance sheet date and before the financial statements are approved for issue, they are also classified as current liabilities); and
3. Liabilities without an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(IV) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the financial statements of the entities (subsidiaries) controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the parent company. In the preparation of the consolidated financial statements, all inter-entity transactions, account balances, revenues, and expenses have been eliminated in full. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, percentage of ownership, and business items, please refer to Note 12 and Tables 5 and 6.

(V) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

In preparing the consolidated financial statements, the assets and liabilities of foreign operations are translated into NTD at the exchange rates prevailing on each balance sheet date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(VI) Inventories

Inventories consists of raw materials, work-in-process, and finished goods. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

(VII) Investment in associates

An associate is an entity over which the Group and its subsidiaries have significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the proportionate share of equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company and its subsidiaries’ share of equity of associates. If the Group’s ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Group’s share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The profit or loss arising from the countercurrent, downstream and side-stream transactions between the consolidated company and the associate is recognized in the consolidated financial statements only to the extent that it is irrelevant to the consolidated company's interest in the associate.

(VIII) Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(IX) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(X) Goodwill

The goodwill acquired in a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and the subsequent measurement is the amount of cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is amortized to each cash-generating unit or group of cash-generating units (referred to as "cash-generating unit") of the consolidated company that is expected to benefit from the synergy of the merger.

The cash-generating unit with amortized goodwill is tested for impairment annually (or when there is indication that the unit may have impaired) by comparing the carrying amount of the unit including goodwill and its recoverable amount. If the goodwill allocated to a cash-generating unit is obtained through a business combination in the current year, the unit should be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of the assessed goodwill is lower than its carrying value, the impairment losses are to first reduce the carrying value of the cash-generating unit's assessed goodwill, and then reduce the carrying value of each asset in proportion to the carrying value of the other assets in the unit. Any impairment losses are directly recognized as losses for the current year. Goodwill impairment losses shall not be reversed in subsequent periods.

When disposing of a certain operation within the cash-generating unit of the assessed goodwill, the amount of goodwill related to the dispositioned operation is included in the carrying amount of the operation to determine the disposition profit and loss.

(XI) Intangible Assets

Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over the useful lives. The consolidated company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

(XII) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill)

The consolidated company assesses at each balance sheet date whether there are any signs of possible impairment in property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill). If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(XIII) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

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

(1) Measurement category

The financial assets held by the consolidated company are those at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments at fair value through other comprehensive income (FVTOCI).

A. Financial Assets at Fair Value Through Profit or Loss

Financial asset at FVTPL is measured at FVTPL. Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

B. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for the following two situations:

a. The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.

b. For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI.

Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets and contract assets

The consolidated company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) and contract assets based on the expected credit loss at each balance sheet date.

Accounts receivable and contract assets are recognized in loss allowance based on lifetime expected credit losses. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month expected credit losses represent the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In contrast, the lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal risk management purpose, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.

B. Past due more than 90 days, unless there is reasonable evidence as the appropriate reason for the delay.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account,

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Group are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XIV) Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1. Revenue from sale of goods

   Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Group that may impact the recognition of revenue and accounts receivable at the customer's acceptance. 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 or the Group has objective evidence that all criteria for acceptance have been satisfied.

2. Revenue from software development projects

   The software development project contracts of the consolidated company are recognized in revenue according to the progress of completion. Since the cost of development man-hours invested is directly related to the degree of completion of the performance obligation, the Consolidated company measures the progress of completion based on the ratio of the actual input cost to the expected total cost. Estimates of revenue, cost and level of completion will be revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. The consolidated company gradually recognizes contract assets and project revenue during the development process, and reclassifies it to accounts receivable when billing. If the amount received exceeds the amount of revenue recognized, the difference is recognized as contract liability.

   If the result of the performance obligation cannot be measured reliably, the project revenue is only recognized to the extent that the cost incurred to meet the performance obligation is expected to be recoverable.

3. Software information service revenue

   The consolidated company provides enterprise software information services, and recognizes labor service revenue and licensing revenue during the financial reporting period of the provision of labor services and software licensing. According to the contractual method, the fixed price contracts are based on the proportion of the actual service period to the total service period, and the revenue is recognized over time; the non-fixed price contracts are recognized as revenue according to the actual consumption.

(XV) Leases

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

1. The Group as lessor

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

The sublease shall be classified by reference to the right-of-use asset rather than by reference to the underlying asset. If the head lease is a short-term lease that the entity has accounted for applying a recognition exemption, the sublease shall be classified as an operating lease.

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets except for those meeting the definition of investment properties. Please refer to the accounting policies of investment properties for the recognition and measurement of right-of-use assets meeting the definition of investment properties.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. lease liabilities are presented on a separate line in the consolidated balance sheets.

(XVI) Employee benefits

1. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XVII) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

1. Current tax

The Group's income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. The initial recognition of assets and liabilities that are not part of a business consolidation affects neither taxable income nor accounting profits, and the transaction does not generate equivalent taxable and deductible temporary differences. The temporary differences generating therefor are not recognized as deferred income tax assets and liabilities. Meanwhile, the taxable temporary differences arising from the initial recognition of goodwill are not recognized as deferred income tax liabilities.

Deferred tax liabilities are generally recognized for all deductible temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax asset to be recovered.

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

3. Current and deferred tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity are recognized in the other comprehensive profit or loss or directly included in the equity.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

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

The accounting policies, estimates and basic assumptions adopted by the consolidated company have been evaluated by the management of the consolidated company and are free of significant accounting judgments, estimates and assumptions uncertainty.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 1,168	$ 1,559
Checking accounts and demand deposits	98,013	319,032
Cash equivalents (investment with original maturity date of less than 3 months)		
Time deposits	177,090	77,165
	$ 276,271	$ 397,756

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets – current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
- Overseas (OTC) stock	$ 1,634	$ 1,265
- Fund beneficiary certificate	18,035	-
	$ 19,669	$ 1,265
Financial assets – non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
- Foreign unlisted (OTC) stock	$ -	$ 336

VIII. Financial Assets at Fair Value Through Other Comprehensive Income

These investments in ordinary shares of Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S SQUARE SYSTEM LTD., are held for medium to long-term strategic purposes. The management elected to designate these investments as FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group is unable to recover the investment costs as Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

IX. Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current		
Foreign investments		
Time deposits with original maturities of more than 3 months	$ 18,041	$ 26,795
Non-current		
Foreign investments		
Time deposits with original maturities of more than 12 months	$ 9,017	$ -

As of December 31, 2023 and 2022, the market interest rate ranges for time deposits with original maturities over 3 months were 0.60% to 2.23% and 0.15% to 1.00% per annum, respectively.

As of December 31, 2023, the market interest rate for time deposits with original maturity over 12 months was 1.70% per annum.

X. Notes and Accounts Receivable

	December 31, 2023	December 31, 2022
Notes receivable		
Measured at amortized cost	$ 3,978	$ 441
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	402,583	394,030
Less: allowance	(22,313)	(7,539)
	380,270	386,491
Notes and Accounts Receivable	$ 384,248	$ 386,932

Accounts receivable

The Group's average credit period for sales is 30 to 165 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Group’s credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Group assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Group reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Group’s credit risk has been significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor’s current financial position. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables:

December 31, 2023

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.28%	14.81%	18.80%	44.36%	100.00%	
Gross carrying amount	$ 354,538	$ 20,849	$ 9,042	$ 2,917	$ 15,237	$ 402,583
Loss allowance (lifetime ECL)	(994)	(3,088)	(1,700)	(1,294)	(15,237)	(22,313)
Amortized cost	$ 353,544	$ 17,761	$ 7,342	$ 1,623	$ -	$ 380,270

December 31, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.25%	1.01%	4.68%	0.00%	100.00%	
Gross carrying amount	$ 371,323	$ 12,753	$ 3,655	$ 1	$ 6,298	$ 394,030
Loss allowance (lifetime ECL)	(941)	(129)	(171)	-	(6,298)	(7,539)
Amortized cost	$ 370,382	$ 12,624	$ 3,484	$ 1	$ -	$ 386,491

The movements of the loss allowance of trade receivables were as follows:

	2023	2022
Balance, beginning of year	$ 7,539	$ 12,380
Plus: Impairment loss recognized for the current year	11,000	-
Less: Reversal	-	(4,485)
Less: Written off	-	(574)
Acquisition of subsidiaries	4,114	-
Effect of foreign currency exchange difference	(340)	218
Balance, end of year	$ 22,313	$ 7,539

XI. Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 170,193	$ 191,745
Work in process	17,203	37,035
Raw materials	66,352	95,475
	$ 253,748	$ 324,255

The operating cost related to inventories of the consolidated company includes the inventory loss recognized by offsetting the inventory cost to the net realizable value and the inventory reversal profit recognized by the increase in net realizable value during the financial reporting period. The amounts are listed as follows:

	2023	2022
Gain on net inventory recovery	$ 3,224	$ 12,983

XII. Subsidiaries

Subsidiaries included in the consolidated financial statements

The entities included in the preparation of these consolidated financial statements are as follows:

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%) December 31, 2023	Proportion of Ownership (%) December 31, 2022	Remarks
Ji-Haw Industrial, Co., Ltd.	Ji-Haw Artificial Intelligence Technology (Kunshan) Co.,Ltd. (hereinafter referred to as J.H.K)	Manufacturing and trading of computer cables or plugs	100.00	100.00	Note 1
	J.B.T Industrial Co., Ltd. (hereinafter referred to as J.B.T)	Manufacturing and trading of computer cables or plugs	100.00	100.00	-
	Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (hereinafter referred to as J.H.P)	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	40.48	40.48	Note 2
	Ji-Haw Investment Co., Ltd. (hereinafter referred to as J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	-
	JI-HAW TECHNOLOGY VN CO., LTD (hereinafter referred to as J.H.V)	Manufacturing and trading of computer cables or plugs	100.00	-	Note 3
	CHINTEK INC. (hereinafter referred to as CHINTEK)	Software development and design	100.00	-	Note 4
J.B.T	J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	59.52	59.52	Note 2

Note 1: The Company was renamed from "Ji-Haw Electronics (Kunshan) Co., Ltd." to "Ji-Haw Artificial Intelligence Technology (Kunshan) Co.,Ltd." on September 25, 2023.

Note 2: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 3: In response to the market demand, the Company completed the registration of its incorporation on September 27, 2023.

Note 4: In order to expand the products and markets of the in-vehicle business, the consolidated company acquired 100% equity of the company at the price of

NT$98,000 thousand in cash on October 27, 2023. Please refer to Note 28 for details.

XIII. Investments accounted for using equity method

Investment in associates

	December 31, 2023	December 31, 2022
Individual non-significant associates		
Chuzhou Dingwang Investment Development Co., Ltd. (hereinafter referred to as Chuzhou Dingwang)	$ 1,672	$ 98,965
CERMAX CO., LTD. (hereinafter referred to as CERMAX)	19,154	-
	$ 20,826	$ 98,965

The proportion of the Group's ownership in the equity and voting rights of associates on the balance sheet date was as follows:

Investee	December 31, 2023	December 31, 2022
Chuzhou Dingwang	39.00%	39.00%
CERMAX	25.04%	-

For the main business items of the above-mentioned associates, please refer to Table 5 "Information on Investees, Location, etc." and Table 6 "Information on Investments in Mainland China."

In 2023, the consolidated company acquired CERMAX as an individually insignificant associate at the price of NT$20,000 thousand in cash. The goodwill generated from the acquisition of these companies, NT$14,075 thousand, is stated into the cost of investment in associates.

Financial information about associates was as follows:

	2023	2022
The Group's share of		
Net income (loss) and total comprehensive income for the year	($ 17,719)	$ 4

XIV. Property, plants, and equipment

	Proprietary Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
Cost						
Balance on January 1, 2023	$ 92,044	$ 296,588	$ 501,834	$ 19,040	$ 110,385	$ 1,019,891
Additions	96,179	426	10,088	741	995	108,429

Disposals	-	-	(234,672)	(4,039)	(48,527)	(287,238)
Acquisition of subsidiaries	-	-	-	818	375	1,193
Reclassified	-	(149)	-	-	-	(149)
Net exchange differences	31	(3,763)	242	(122)	(571)	(4,183)
Balance as of December 31, 2023	$ 188,254	$ 293,102	$ 277,492	$ 16,438	$ 62,657	$ 837,943
Accumulated Depreciation						
Balance on January 1, 2023	$ -	$ 232,559	$ 412,359	$ 14,378	$ 96,480	$ 755,776
Depreciation expense	-	12,363	14,484	1,221	2,320	30,388
Disposals	-	-	(198,238)	(3,582)	(43,807)	(245,627)
Acquisition of subsidiaries	-	-	-	605	169	774
Net exchange differences	-	(3,140)	588	(111)	(499)	(3,162)
Balance as of December 31, 2023	$ -	$ 241,782	$ 216,030	$ 12,511	$ 54,663	$ 538,149
Net on December 31, 2023	$ 188,254	$ 51,320	$ 61,462	$ 3,927	$ 7,994	$ 299,794
Cost						
Balance as of January 1, 2022	$ 91,796	$ 288,284	$ 522,140	$ 19,082	$ 108,013	$ 1,029,315
Additions	-	3,706	6,379	1,077	2,398	13,560
Disposals	-	-	(40,645)	(1,479)	(2,016)	(44,140)
Reclassified	-	(1,297)	-	-	-	(1,297)
Net exchange differences	248	5,895	13,960	360	1,990	22,453
Balance as of December 31, 2022	$ 92,044	$ 296,588	$ 501,834	$ 19,040	$ 110,385	$ 1,019,891

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	Proprietary Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
Accumulated Depreciation						
Balance as of January 1, 2022	$ -	$ 215,783	$ 425,384	$ 14,359	$ 93,615	$ 749,141
Depreciation expense	-	12,266	14,960	1,215	3,068	31,509
Disposals	-	-	(40,468)	(1,431)	(1,945)	(43,844)
Net exchange differences	-	4,510	12,483	235	1,742	18,970
Balance as of December 31, 2022	$ -	$ 232,559	$ 412,359	$ 14,378	$ 96,480	$ 755,776
Net Balance as of December 31, 2022	$ 92,044	$ 64,029	$ 89,475	$ 4,662	$ 13,905	$ 264,115

The above items of property, plants, and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	5-24 years
Machinery and equipment	5-20 years
Transportation Equipment	3-20 years
Other equipment	1-33 years

Depreciation is calculated over the estimated useful life of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

For the amount of property, plant and equipment pledged for loans, please refer to Note 32.

XV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	$ 37,703	$ 39,044
Buildings	14,940	-
Transportation Equipment	8,463	-
	$ 61,106	$ 39,044

	2023	2022
Additions to right-of-use assets	$ 21,982	$ -
Depreciation charge for right-of-use assets		
Land	$ 1,483	$ 1,423
Buildings	982	-
Transportation Equipment	769	-
	$ 3,234	$ 1,423
Revenue from sublease of right-of-use assets (recognized as other income)	($ 6,562)	($ 7,136)

Except for the above additions and recognized depreciation expenses, there was no significant sublease or impairment of the consolidated company's right-of-use assets in 2023 and from January 1 to December 31, 2022.

The land leased by the Group in Thailand is subleased under operating leases. Related right-of-use assets are reported as investment properties and set out in Note 16. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of the lease liabilities		
Current	$ 9,101	$ 935
Non-current	$ 59,520	$ 45,371

Range of discount rates for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Land	4.46%	4.46%
Buildings	1.84%~2.10%	-
Transportation Equipment	2.10%~5.22%	-

(III) Other lease information

Lease arrangements under operating leases for the leasing out of property, plants, and equipment and investment properties are set out in Note 16.

	2023	2022
Total Cash Outflow From Leases	$ 4,471	$ 3,711

XVI. Investment properties

	Proprietary Land	Right-of-use assets	Buildings	Total
Cost				
Balance on January 1, 2023	$ 60,240	$ 19,408	$ 52,245	$ 131,893
Disposals	-	(1,922)	-	(1,922)
From property, plant and equipment	-	-	149	149
Net exchange differences	-	162	174	336
Balance as of December 31, 2023	$ 60,240	$ 17,648	$ 52,568	$ 130,456

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	Proprietary Land	Right-of-use assets	Buildings	Total
Accumulated Depreciation				
Balance on January 1, 2023	$ -	$ 2,557	$ 42,409	$ 44,966
Disposals	-	(1,922)	-	(1,922)
Depreciation expense	-	653	1,667	2,320
Net exchange differences	-	20	142	162
Balance as of December 31, 2023	$ -	$ 1,308	$ 44,218	$ 45,526
Net on December 31, 2023	$ 60,240	$ 16,340	$ 8,350	$ 84,930
Cost				
Balance as of January 1, 2022	$ 60,240	$ 18,670	$ 49,624	$ 128,534
From property, plant and equipment	-	-	1,297	1,297
Net exchange differences	-	738	1,324	2,062
Balance as of December 31, 2022	$ 60,240	$ 19,408	$ 52,245	$ 131,893
Accumulated Depreciation				
Balance as of January 1, 2022	$ -	$ 1,782	$ 39,689	$ 41,471
Depreciation expense	-	620	1,619	2,239
Net exchange differences	-	155	1,101	1,256
Balance as of December 31, 2022	$ -	$ 2,557	$ 42,409	$ 44,966
Net Balance as of December 31, 2022	$ 60,240	$ 16,851	$ 9,836	$ 86,927

The land leased by the Group in Thailand is subleased under operating leases and reported as right-of-use assets in investment properties.

The lease term of investment properties is 1 to 2 years with the option to extend. The rent will be adjusted based on market price when the lessee exercises the option to renew, which is included in the terms of all lease contracts. The lessee is not granted the bargain purchase option at the end of lease term.

Lease payments receivable under operating leases of investment properties in the future was as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 8,967	$ 10,389
Year 2	645	4,295
	$ 9,612	$ 14,684

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Right-of-use assets	30 years
Buildings	5-24 years

Depreciation is calculated over the estimated useful life of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

The fair value of the Group's investment property situated in Taiwan has been initially valued by an independent valuer and measured with Level 3 input value by the management of the Group on each subsequent balance sheet date. The evaluation is based on the evaluation of the above-mentioned independent appraiser, with reference to market evidence of real estate transaction prices in the neighboring region, and regularly evaluates the fair value of the consolidated company's investment properties. The fair value derived from evaluation is as follows:

	December 31, 2023	December 31, 2022
Land and buildings held under freehold interests	$ 279,634	$ 279,540

As the investment property in Thailand is located on state-owned industrial land, there are no active transactions in the comparative market nor alternative reliable measurement of fair value. Therefore, the Group concluded that the fair value of the investment properties is not reliably measurable.

Please refer to Note 32 for the amount of investment property pledged for loans.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	December 31, 2023	December 31, 2022
Lease commitments for investment properties	$ 9,612	$ 14,684

XVII. Goodwill

	2023	2022
Cost		
Balance, beginning of year	$ -	$ -
Acquired through business combination in the current year (Note 28)	97,188	-
Balance, end of year	$ 97,188	$ -
Accumulated impairment loss		
Balance, end of year	$ -	$ -
Net, end of year	$ 97,188	$ -

XVIII. Intangible Assets

	Software licensing	Technology licensing	Computer Software	Total
Cost				
Balance on January 1, 2023	$ -	$ -	$ -	$ -
Acquired separately	8,513	939	-	9,452
Acquisition of subsidiaries	-	-	470	470
Balance as of December 31, 2023	$ 8,513	$ 939	$ 470	$ 9,922
Accumulated Amortization				
Balance on January 1, 2023	$ -	$ -	$ -	$ -
Amortization Expenses	71	-	18	89
Acquisition of subsidiaries	-	-	434	434
Balance as of December 31, 2023	$ 71	$ -	$ 452	$ 523
Net on December 31, 2023	$ 8,442	$ 939	$ 18	$ 9,399

The consolidated company holds the license of AI-related software. As of December 31, 2023, the carrying amount was NT$8,442 thousand and will be fully amortized within 10 years.

Amortization expenses are accrued on a straight-line basis over the following useful lives:

Software licensing	10 years
Technology licensing	10 years
Computer Software	3 years

Summary of amortization expenses by function:

	2023	2022
Operating costs	$ 71	$ -
R&D expenses	18	-
	$ 89	$ -

XIX. Other Assets

	December 31, 2023	December 31, 2022
Prepayments for land, building and construction	$ 54,627	$ -
Prepayments	18,418	7,412
Refundable deposits	7,884	3,336
Excess VAT paid	5,878	5,635
Other receivables	1,882	2,857
Prepayments for equipment	1,777	665
Income tax refund receivable (Note 26)	625	435
Other receivables - Related parties (Note 31)	-	2,097
	$ 91,091	$ 22,437

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	December 31, 2023	December 31, 2022
Current	$ 26,803	$ 18,436
Non-current	64,288	4,001
	$ 91,091	$ 22,437

XX. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 32)		
Bank borrowing	$ 310,500	$ 100,000

As of December 31, 2023 and 2022, the annual interest rates for revolving bank borrowings ranged from 1.99% to 2.74% and 2.24%, respectively.

(II) Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Bank borrowing	$ 14,048	$ -
Less: portion due within 1 year	(3,140)	-
Long-term borrowings	$ 10,908	$ -

The balance of long-term borrowings as of December 31, 2023 was repaid on a monthly basis with a maturity period of July 2028. As of December 31, 2023, the effective interest rate was 2.095%.

XXI. Other payables

	December 31, 2023	December 31, 2022
Payables for salaries	$ 20,357	$ 16,582
Payables for expenses	17,970	24,284
Payables for taxes	1,060	894
	$ 39,387	$ 41,760

XXII. Post-retirement benefit plan

(I) Defined contribution plan

The Company of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), a state-managed defined contribution plan. Under the LPA, the entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The J.B.T, J.H.K, J.H.P, and CHINTEK within the consolidated company adopt a defined contribution retirement plan. A certain percentage of the pension fund appropriated from the employees' salaries is deposited into the retirement fund account.

The dedicated account is managed by the local statutory insurance agency. Upon retirement, employees will receive funds and relative yield from the special account.

J.H.I and J.H.V within the consolidated company have not yet set forth their employee retirement regulations.

(II) Defined benefit plans

The defined benefit plan adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect to the Group's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 1,935	$ 7,522
Fair value of plan assets	(1,049)	(6,699)
Net defined benefit liabilities	$ 886	$ 823

Movements in net defined benefit liabilities were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2022	$ 9,425	($ 5,566)	$ 3,859
Current service cost	75	-	75
Net interest expense	45	-	45
Expected return on plan assets	-	(28)	(28)
Recognized in profit or loss	120	(28)	92

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Remeasurement			
Actuarial profit or loss - changes in assumptions	($ 951)	($ 550)	($ 1,501)
Actuarial profit or loss - changes in experience	(1,072)	-	(1,072)
Recognized in other comprehensive income	(2,023)	(550)	(2,573)
Contributions from the employer	-	(555)	(555)
Balance as of December 31, 2022	$ 7,522	($ 6,699)	$ 823
Balance on January 1, 2023	$ 7,522	($ 6,699)	$ 823
Current service cost	66	-	66
Net interest expense	127	-	127
Expected return on plan assets	-	(118)	(118)
Recognized in profit or loss	193	(118)	75
Remeasurement			
Actuarial profit or loss - changes in assumptions	102	22	124
Actuarial profit or loss - changes in experience	184	-	184
Recognized in other comprehensive income	286	22	308
Contributions from the employer	-	(320)	(320)
Benefits paid	(6,066)	6,066	-
Balance as of December 31, 2023	$ 1,935	($ 1,049)	$ 886

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	2023	2022
Administrative expenses	$ 75	$ 92

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.222%	1.694%
Expected return on plan assets	1.222%	1.694%
Expected rate of salary increase	0.500%	0.500%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 55)	($ 186)
0.25% decrease	$ 57	$ 192
Expected rate of salary increase		
0.25% increase	$ 56	$ 192
0.25% decrease	($ 54)	($ 187)
Expected return on plan assets		
0.25% increase	($ 1)	($ 1)
0.25% decrease	$ 1	$ 1

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

	December 31, 2023	December 31, 2022
The expected contributions to the plan for the next year	$ 230	$ 558
The average duration of the defined benefit obligation	11.75 years	10.29 years

XXIII. EQUITY

(I) Share capital – Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	180,000	135,000
Amount of shares authorized	$ 1,800,000	$ 1,350,000
Number of shares issued and fully paid (in thousands)	112,719	112,719
Amount of shares issued	$ 1,127,192	$ 1,127,192

Fully paid ordinary shares, with a par value of NT$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

(II) Capital surplus

	December 31, 2023	December 31, 2022
It may be used to offset losses, distribute cash, or allocate to share capital.		
Additional paid-in capital	$ 200,025	$ 200,025
Treasury share transactions	25,915	25,915
Donated assets received	757	757
	$ 226,697	$ 226,697

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(III) Retained earnings and dividend policy

According to the earnings distribution policy in the Company's Articles of Incorporation, if there is a profit in the Company's annual final accounts, it shall first pay tax and make up for the accumulated losses of the past years, and then appropriate 10% as the legal reserve, unless the legal reserve has reached the amount of the Company's paid-in capital. Meanwhile, the special reserve shall be appropriated or reversed subject to the Company's business needs or in accordance with the law. If there is any surplus, 10%~100% of the remaining balance, plus the accumulated undistributed earnings in previous years, shall be appropriated based on the distribution proposal drafted by the Board of Directors and resolved by a shareholders' meeting. Please refer to Note 25(7) for the policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation.

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT$0.1, it may be changed to a stock dividend. The percentage of earnings distribution may be adjusted based on the actual profit, capital budget and fund status of the current year.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-in capital may be used for capitalization, and the remainder may be distributed in cash.

The company held shareholder meetings on June 29, 2023, and June 20, 2022, respectively, and passed resolutions for the appropriation of losses for the years 2022 and 2021.

The loss compensation proposed by the Company's Board of Directors on March 13, 2024 is expected to be resolved at the annual general meeting in June 2024.

XXIV. Revenue

	2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,149,729	$ 1,497,478
Project, licensing, and labor service income	960	-
	$ 1,150,689	$ 1,497,478

(I) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (note 10)	$ 402,583	$ 394,030	$ 639,838
Contract assets			
Sales of goods	$ 4,213	$ -	$ -
Contract Liabilities			
Sales of goods	$ 135	$ -	$ -

Changes in contract assets and contract liabilities are mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

The consolidated company recognizes loss allowance for contract assets based on lifetime expected credit losses. The contract assets will be reclassified as accounts receivable when the bill is issued, and the credit risk characteristics are the same as the accounts receivable generated from similar contracts. Therefore, the consolidated company believes that the expected credit loss rate of accounts receivable can also be applied to contracts assets.

	December 31, 2023	December 31, 2022
Expected credit loss rate	-	-
Gross carrying amount	$ 4,213	$ -
Loss allowance (lifetime ECL)	-	-
	$ 4,213	$ -

(II) Explanation on contracts with customers

For the breakdown of revenue from contracts with customers, please refer to Note 36.

XXV. Net profit

(I) Interest income

	2023	2022
Bank deposits	$ 4,485	$ 2,933
Others	15	-
	$ 4,500	$ 2,933

(II) Other income

	2023	2022
Rental income	$ 15,890	$ 17,279
Others	2,480	7,132
	$ 18,370	$ 24,411

(III) Other gains and losses

	2023	2022
Gain (loss) on disposal of property, plant and equipment	($ 33,063)	1,257
Net foreign exchange gain	14,202	52,556
Gain (loss) arising from financial assets and financial liabilities		
Financial assets mandatorily classified as FVTPL	425	(1,021)
Others	(1,428)	(4,215)
	($ 19,864)	$ 48,577

(IV) Finance costs

	2023	2022
Interest expense from bank borrowing	$ 2,807	$ 1,632
Interest expense from lease liabilities	2,209	2,815
	$ 5,016	$ 4,447

(V) Depreciation and amortization

	2023	2022
Property, plants, and equipment	$ 30,388	$ 31,509
Investment properties	2,320	2,239
Right-of-use assets	3,234	1,423
Intangible Assets	89	-
Total	$ 36,031	$ 35,171
Analysis of depreciation by function		
Operating costs	$ 21,310	$ 22,859
Operating expenses	12,312	10,073
Other gains and losses	2,320	2,239
	$ 35,942	$ 35,171
Summary of amortization expenses by function		
Operating costs	$ 71	$ -
R&D expenses	18	-
	$ 89	$ -

(VI) Employee benefits

	2023	2022
Retirement benefits		
Defined contribution plan	$ 9,963	$ 10,389
Defined benefit plans	75	92
Other employee benefits	249,385	217,368
Total	$ 259,423	$ 227,849
Analysis of employee benefits by function		
Operating costs	$ 108,229	$ 109,145
Operating expenses	151,194	118,704
	$ 259,423	$ 227,849

(VII) Compensation of employees and remuneration of directors and supervisors

In accordance with the Articles of Incorporation, the Company appropriated the remuneration of employees and remuneration of directors at the ratio of 3% to 15% and 1% to 5% of the profit before tax before the distribution of remuneration to employees and directors of the same year, respectively. There were net loss before tax and net profit before tax from January 1 to December 31, 2023 and 2022. However, the Company still has accumulated losses, so employees' remuneration and directors' remuneration have not been estimated.

If the amounts in the annual consolidated financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

At the board meetings held on March 17, 2023 and March 29, 2022, the Company passed resolutions not to distribute employees' remuneration and directors' remuneration for 2022 and 2021, respectively. There is also no difference from the amounts recognized in 2022 and 2021 consolidated financial statements.

Information on employee compensation and directors' compensation resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(VIII) Foreign exchange gain or loss

	2023	2022
Total foreign exchange gain	$ 63,684	$ 116,634
Total foreign exchange loss	(49,482)	(64,078)
Net profit or loss	$ 14,202	$ 52,556

XXVI. Taxation

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	2023	2022
Current tax		
In respect of the current year	($ 9,490)	$ 49,128
Deferred tax		
In respect of the current year	(35,108)	7,790
Income tax expense (benefit) recognized in profit or loss	($ 44,598)	$ 56,918

The reconciliation of accounting income and income tax expense (benefit) is as follows

	2023	2022
Income tax expense (profit) on net income (loss) before tax calculated at statutory tax rate	($ 52,728)	$ 16,997
Non-deductible expenses in determining taxable income	1,640	(576)
Unrecognized loss carryforwards	34,530	10,760
Adjustments for prior years	(28,040)	29,737
Income tax expense (benefit) recognized in profit or loss	($ 44,598)	$ 56,918

The tax rate applicable to subsidiaries in China is 25%. J.H.P obtained the high-tech enterprise certificate in 2023, so the applicable tax rate should be 15%. The tax amount arising in other jurisdictions is calculated in accordance with the tax rate applicable to the respective jurisdiction.

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current year		
Re-measurement of defined benefit plans	$ 62	($ 515)

(III) Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets (stated into the "other current assets")		
Tax refund receivable	$ 625	$ 435
Current Income Tax Liabilities		
Income tax payable	$ 89	$ 8,944

(IV) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2023

	Balance, beginning of year	Acquisition of subsidiaries	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Balance, end of year
Deferred tax assets						
Allowance for write-down of inventories	$ 20,880	$ -	($ 139)	$ -	($ 290)	$ 20,451
Defined benefit obligation	1,463	-	(49)	62	-	1,476
Allowance in excess of the deductible limit	1,138	750	1,798	-	(52)	3,634
Unrealized net exchange losses (gains)	811	(19)	(1,060)	-	-	(268)
Unrealized impairment loss of financial assets	2,800	-	-	-	-	2,800
Others	1,835	-	2,653	-	(50)	4,438
	$ 28,927	$ 731	$ 3,203	$ 62	($ 392)	$ 32,531
Deferred tax liabilities						
Share of the net profit of associates accounting for using equity method	$ 54,895	$ -	($ 31,905)	$ -	$ -	$ 22,990

2022

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Differences	Balance, end of year
Allowance for write-down of inventories	$ 21,862	($ 1,323)	$ -	$ 341	$ 20,880
Defined benefit obligation	2,071	(93)	(515)	-	1,463
Impairment loss on Property, Plant and equipment	2,000	(2,042)	-	42	-
Allowance in excess of the deductible limit	1,861	(757)	-	34	1,138
Net unrealized foreign exchange loss	66	745	-	-	811
Unrealized impairment loss of financial assets	2,800	-	-	-	2,800
Others	1,213	543	-	79	1,835
	$ 31,873	($ 2,927)	($ 515)	$ 496	$ 28,927
Deferred tax liabilities					
Share of the net profit of associates accounting for using equity method	$ 50,032	$ 4,863	$ -	$ -	$ 54,895

(V) Recognize deductible temporary differences and unused loss carryforwards of deferred income tax assets in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Loss carryforwards		
Expiry in 2024	$ 62,512	$ 46,971
Expiry in 2025	108,657	64,045
Expiry in 2026	53,454	53,454
Expiry in 2027	70,987	70,987
Expiry in 2028	48,272	-
Expiry in 2029	67,882	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2032	-	25,825
Expiry in 2033	105,413	-
	$ 647,177	$ 459,164

(VI) Income tax assessments

The profit-seeking enterprise income tax of the Company and CHINTEK up to 2021 has been approved by the tax collection agency.

J.H.K, J.H.P, J.B.T and J.H.V have completed the income tax return by the deadline set by the local tax collection authority.

Since JHI was established in Samoa, there is no relevant income tax burden.

XXVII. Loss per share

The net loss and the weighted average number of ordinary shares used to calculate the loss per share are as follows:

Net loss for the year

	2023	2022
Net loss for the year	($ 131,396)	($ 13,486)

Shares

Unit: Thousand shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic net earnings (losses) per share	112,719	112,719

XXVIII. Business combination

(I) Acquisition of subsidiaries

	Main operating activities	Date of acquisition	Owner's equity with voting rights/percentage of acquisition (%)	Transfer consideration
CHINTEK	Software development and design	October 27, 2023	100	$ 98,000

The consolidated company paid NT$98,000 thousand in cash, and completed the first stage of delivery and transferred 820 thousand shares (51.25%) on October 27, 2023; then, it completed the second stage of delivery and transferred the remaining equity, 780 thousand shares (48.75%), on November 17, 2023.

The consolidated company acquired CHINTEK in 2023 to expand the software development and design business of the consolidated company.

(II) Assets acquired and liabilities assumed on the date of acquisition

	CHINTEK
Current assets	
Cash and cash equivalents	$ 7,520
Current financial assets at fair value through profit or loss	556
Contract assets - current	3,585
Accounts receivable, net	14,444
Current tax assets	83
Inventories	2,752
Other current assets	224
Non-current Assets	
Property, plants, and equipment	419

Right-of-use assets	3,210
Intangible Assets	36
Other non-current assets	1,523
Current liabilities	
Short-term borrowings	(10,500)
Contract liabilities - current	(7)
Accounts payable	(3,796)
Other payables	(1,116)
Other current liabilities	(666)
Non-current liabilities	
Long-term borrowings	(14,288)
Lease liabilities - non-current	(3,167)
	$ 812

The original accounting treatment of the acquisition of CHINTEK was only tentative at the balance sheet date. For the purpose of taxation, the taxation basis of the assets of CHINTEK shall be re-determined in accordance with the market value of the assets. As of the date the consolidated financial statements were approved for issue, the required market evaluation and other calculations have not yet been completed, so only the best estimate of the consolidated company's management level is used to determine the possible taxable value.

The fair value of the accounts receivable (mainly accounts receivable) acquired from CHINTEK in the business combination was NT$14,444 thousand, and its total contractual amount was NT$19,110 thousand, respectively, and the best estimate of the cash flow for the contractual cash not expected to be recovered on the date of acquisition is NT$4,666 thousand.

(III) Goodwill arising from acquisition

	CHINTEK
Transfer consideration	$ 98,000
Less: Fair value of identifiable net assets acquired	(812)
Goodwill arising from acquisition	$ 97,188

The goodwill generated from the acquisition of CHINTEK is mainly from the control premium. Meanwhile, the consideration paid for the merger includes the expected synergy of the merger, revenue growth, future market development, and the value of the employees of CHINTEK. However, such benefits do not meet the recognition criteria of identifiable intangible assets, so they are not recognized separately.

The expected deductible income tax of the goodwill arising from the merger is NT$97,188 thousand, and the tax deduction is based on the 15-year average amortization amount.

(IV) Acquisition of net cash outflow from subsidiaries

	CHINTEK
Consideration paid in cash	$ 98,000
Less: Balance of cash and cash equivalents acquired	(7,520)
	$ 90,480

(V) Effect of business combination on operating results

From the date of acquisition, the operating results of the acquiree are as follows:

	CHINTEK
Operating income	$ 5,858
Net loss for the year	($ 8,396)

If the October 2023 acquisition of CHINTEK occurred on January 1, 2023, the consolidated company's imputed operating revenue and net loss for 2023 would have been NT$45,896 thousand and NT$3,798 thousand, respectively. Such amounts do not reflect the actual revenue and operating results that the consolidated company would generate if the business combination were completed on the commencement date of the acquisition year, and should not be used as a forecast for future operating results.

The management has taken into account the following factors when compiling the imputed revenue and net profit of the hypothetical consolidated company's acquisition of CHINTEK from the beginning of the fiscal year of the acquisition:

1. Depreciation is calculated based on the fair value of the plant and property at the time of the original accounting treatment of the business combination instead of the carrying amount recognized in the pre-acquisition financial statements; and
2. The borrowing cost is estimated based on the capital position, credit rating, and debt-to-equity ratio of the consolidated company after the merger.

XXIX. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Group plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Group expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

The consolidated company is not subject to other external capital requirements.

XXX. Financial instruments

(I) Fair value of financial instruments that are not measured at fair value

The Group believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(II) Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss				
Fund beneficiary certificate	$ 18,035	$ -	$ -	$ 18,035
Foreign listed (OTC) stocks	1,634	-	-	1,634
	$ 19,669	$ -	$ -	$ 19,669

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss				
Foreign listed (OTC) stocks	$ 1,265	$ -	$ -	$ 1,265
Foreign unlisted (OTC) stocks	-	-	336	336
	$ 1,265	$ -	$ 336	$ 1,601

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial assets	FVTPL Equity instruments
Balance, beginning of year	$ 336
Recognized in profit or loss (other gains and losses)	(341)
Effect of foreign currency exchange difference	5
Balance, end of year	$ -

2022

Financial assets	FVTPL Equity instruments
Balance, beginning of year	$ 1,061
Recognized in profit or loss (other gains and losses)	(816)
Effect of foreign currency exchange difference	91
Balance, end of year	$ 336

3. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

   For foreign unlisted shares, their fair values were measured under the asset-based approach

(III) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
FVTPL		
Financial assets mandatorily classified as at FVTPL	$ 19,669	$ 1,601
Financial assets at amortized cost (note 1)	697,343	819,773
Financial liabilities		
Measured at amortized cost (note 2)	633,620	411,226

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost, net accounts receivable, other receivables (stated into other current assets), and refundable deposits (stated into other non-current assets), and other financial assets measured at amortized cost.

Note 2: The balances include short-term borrowings, notes and accounts payable, other payables, long-term borrowings (including current portion), guarantee deposits received, and other financial liabilities measured at amortized cost.

(IV) Financial risk management objectives and policies

The Group's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank borrowings. However, due to the aforementioned financial instruments and operating activities, the Group is exposed to risks such as credit risks, liquidity risks, and market risks.

To avoid the possible adverse impacts from the aforementioned financial risks on the Group, the Group has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Group is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and intermittently reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Group is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Group.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

For the carrying amounts of the consolidated company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial statements), please refer to Note 34.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) strengthens or weakens by 1% against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening by 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, pre-tax profits would have decreased by the same amount.

	USD impact	
	2023	2022
Profit or loss	$ 2,181	$ 3,280

This was mainly due to the Group's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 69,756	$ 103,960
Financial liabilities	68,621	46,306
Risk of cash flow changes due to interest rate		
Financial assets	231,423	318,133
Financial liabilities	324,548	100,000

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 100 basis points, and all other variables remain unchanged, the consolidated company's net loss/profit before tax for 2023 and 2022 would have increased by NT$ 931 thousand and NT$2,181 thousand, respectively. This is mainly due to the consolidated company's net position of variable interest rate deposits and variable interest rate borrowings.

(3) Other price risk

The Group was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Group does not actively trade these investments. Relevant personnel have been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group’s maximum exposure to credit risk resulting from the counterparty’s default on its contractual obligations and the Group’s provision of financial guarantee is the carrying amount of the financial assets on the consolidated balance sheets.

To mitigate the impact of credit risk, the Group considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc), based on which credit policies, payment terms, and trade terms were established by the accounting department.

If necessary, a third-party risk assessment institution is engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEx) companies with normal transaction records, the default risks are quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is a limited impact of credit risk on the Group. Furthermore, the Group has established a provision policy, set an allowance account, and presented this in the statement to reflect the estimation of the potential loss resulting from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Group's failure to settle the financial liabilities in cash or other financial assets. The share capital and working capital of the Group is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Group. As of December 31, 2023 and 2022, the undrawn financing facilities of the consolidated company were NT$106,000 thousand and NT$ 320,000 thousand, respectively.

Liquidity and interest rate risk tables for non-derivative financial liabilities

The analysis for the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clauses were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities					
Non-interest bearing liabilities	$ 55,583	$ 168,461	$ 86,083	$ 2,209	$ -
Lease liabilities	749	1,500	9,397	27,787	59,815
Variable interest rate liabilities	104,440	527	224,724	11,333	-
	$ 160,772	$ 170,488	$ 320,204	$ 41,329	$ 59,815

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	$ 11,646	$ 27,787	$ 15,741	$ 15,741	$ 15,741	$12,592

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
Non-derivative Financial Liabilities					
Non-interest bearing liabilities	$ 71,034	$ 149,239	$ 88,749	$ 2,203	$ -
Lease liabilities	-	-	3,596	14,384	71,920
Variable interest rate liabilities	-	-	100,111	-	-
	$ 71,034	$ 149,239	$ 192,456	$ 16,587	$ 71,920

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	$ 3,596	$ 14,384	$ 17,980	$ 17,980	$ 17,980	$17,980

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

XXXI. Related-party transactions

Transactions, balances, revenues, and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, details of transactions between the Group and other related parties were disclosed below:

(I) Related party name and category

Related Party Name	Relationship with the consolidated company
Chuzhou Dingwang	Associate

(II) Receivables from related parties

Account Item	Related Party Name	December 31, 2023	December 31, 2022
Other receivables – related parties (included in other current assets)	Associate	$ -	$ 2,097

The interest rate of short-term loans to related parties was equal to the market rate. The loans provided by the Group to related parties are unsecured loans.

As of December 31, 2022, said other receivables of the consolidated company from associates - related parties are interest receivable.

(III) Other related party transactions

Account Item	Related Party Name	December 31, 2023	December 31, 2022
Other current liabilities	Chuzhou Dingwang	$ -	$ 80,447

In November 2020, the shareholders' meeting of Chuzhou Dingwang passed a resolution to reduce the capital by 78%. The consolidated company has fully received the investment funds returned from the capital reduction in November 2020. As of December 31, 2022, Chuzhou Dingwang has not yet completed the registration of change in the relevant procedures and, therefore, stated the refund received from the capital decrease as other current liabilities.

(IV) Compensation to key management of the Group

	2023	2022
Short-term employee benefits	$ 11,443	$ 6,769
Retirement benefits	509	352
	$ 11,952	$ 7,121

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

XXXII. Pledged assets

The following assets were provided as collateral for bank borrowings:

	December 31, 2023	December 31, 2022
Property, plants, and equipment, net	$ 91,289	$ 92,038
Investment properties, net	65,061	66,374
	$ 156,350	$ 158,412

In addition to said assets, the collateral for the consolidated company's financing loans is also indirectly guaranteed by the credit guarantee fund.

XXXIII. Subsequent Events

On March 13, 2024, the Company's Board of Directors approved the equity investment of NT$40,000 thousand.

XXXIV. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is aggregated by foreign currencies other than the functional currencies of the Group. The exchange rates disclosed refer to the rates at which the foreign currencies were converted into functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

	Foreign currencies	Exchange Rate	Carrying Amount
Foreign Currency Assets			
Monetary Item			
USD	$ 6,861	30.705 (USD:NTD)	$ 210,667
USD	12,280	7.0827 (USD:CNY)	377,057
USD	213	34.0523 (USD:THB)	6,540
USD	100	0.0012 (USD:VND)	3,071
Foreign Currency Liabilities			
Monetary Item			
USD	9,277	30.705 (USD:NTD)	284,850
USD	2,661	7.0827 (USD:CNY)	81,706
USD	413	34.0523 (USD:THB)	12,681

December 31, 2022

Foreign Currency Assets	Foreign currencies	Exchange Rate	Carrying Amount
Monetary Item			
USD	$ 10,969	30.71 (USD:NTD)	$ 336,858
USD	11,195	6.9647 (USD:CNY)	343,798
USD	20	34.3474 (USD:THB)	614
Foreign Currency Liabilities			
Monetary Item			
USD	$ 8,353	30.71 (USD:NTD)	$ 256,521
USD	2,928	6.9647 (USD:CNY)	89,919
USD	223	34.3474 (USD:THB)	6,848

The Group was mainly subject to the foreign exchange risk of USD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2023		2022	
Functional currency	Functional currency to currency presented	Net exchange gains (losses)	Functional currency to currency presented	Net exchange gains (losses)
THB	0.9 (THB:NTD)	$ 502	0.86 (THB:NTD)	($ 501)
NTD	1 (NTD:NTD)	4,105	1 (NTD:NTD)	11,933
CNY	31.16 (CNY:NTD)	9,595	4.43 (CNY:NTD)	41,124
		$ 14,202		$ 52,556

XXXV. Other Disclosures

(I) Information on significant transactions

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (None)

3. Marketable securities held - ending (excluding investments in subsidiaries and associates). (Table 1)
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital. (None)
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)
9. Trading in derivative instruments. (None)
10. Other: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 4)

(II) Information on investees (Table 5)

(III) Information on investment in mainland China

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
    (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    (3) The amount of property transactions and the amount of the resultant gains or losses.
    (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

(6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(IV) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 7)

XXXVI. Segment information

(I) Segment revenue and results

The revenue and operating results of the consolidated company are analyzed by reportable segment as follows:

	Segment Revenue		Segment Income (Loss)	
	2023	2022	2023	2022
Connection cables	$ 1,105,749	$ 1,458,122	$ 7,827	$ 79,732
Others	44,940	39,356	(1,608)	1,577
Segment net worth	$ 1,150,689	$ 1,497,478	6,219	81,309
Administrative expenses			(151,484)	(113,840)
Expected credit impairment reversal gain (loss)			(11,000)	4,485
Interest income			4,500	2,933
Other income			18,370	24,411
Other gains and losses			(19,864)	48,577
Finance costs			(5,016)	(4,447)
Share of profit or loss of affiliates under the equity method			(17,719)	4
Profit (loss) before income tax			($ 175,994)	$ 43,432

The above revenue were generated through transactions with external customers. There were no inter-segment sales in 2023 and 2022.

The segment profit refers to the profit earned by each segment, excluding amortizable administrative expenses, expected credit impairment reversal gain (loss), interest income, other income, other gains and losses, finance costs, and shares of profit or loss of associates accounted for using the equity method, and income tax gains (expenses). This is the measure reported to the Group’s chief operating decision maker to allocate resources to each segment and evaluate its performance.

(II) Segment assets

As the measured amount of total assets and liabilities is not provided to the operating decision makers, the measured amount of total assets and liabilities is not disclosed.

(III) Revenue from major products and services

The following is an analysis of the Group’s revenue from continuing operations from its major products and services.

	2023	2022
Connection cables	$ 1,105,749	$ 1,458,122
Others	44,940	39,356
	$ 1,150,689	$ 1,497,478

(IV) Geographical information

The consolidated company mainly operates business in three regions, including Taiwan, China and Thailand.

The consolidated company's revenue from external customers by business location is as follows:

	Revenue from External Customers	
	2023	2022
Taiwan	$ 540,087	$ 694,370
China	528,442	722,184
Thailand	82,160	80,924
	$ 1,150,689	$ 1,497,478

(V) Information on major customers

Of the 2023 and 2022 consolidated revenue, NT$467,982 thousand and NT$582,030 thousand were derived from the Group's main customers.

Income from a single customer which exceeds ten percent of total income of the Group is as follows:

	2023	2022
Customer A	$ 190,482	$ 211,315
Customer B	138,870	207,262
Customer C	138,630	163,453
	$ 467,982	$ 582,030

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Marketable Securities Held - ending

December 31, 2023

Table 1

Unit: Unless otherwise stated, in NT$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding ratio	Fair value	
Ji-Haw Industrial, Co., Ltd.	shares							
	Chunghwa Picture Tubes, Ltd.	-	Current financial assets at fair value through other comprehensive income	604	$ -	-	$ -	Note 2
	Soyo Link Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14	-	Note 2
	Li Wang Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90	-	Note 2
	S SQUARE SYSTEM LTD.	-	Non-current financial assets at fair value through other comprehensive income	747	-	3.19	-	Note 2
J.H.I	shares							
	Vision Works Inc.	-	Non-current financial assets at fair value through profit or loss	190,000	-	19.00	-	Note 2
	ING Group N.V.	-	Current financial assets at fair value through profit or loss	3,000	1,383	-	1,383	Note 2
	TESLA MORTORS INC	-	Current financial assets at fair value through profit or loss	30	229	-	229	Note 2
	BEYOND MEAT INC	-	Current financial assets at fair value through profit or loss	80	22	-	22	Note 2
J.B.T	Fund beneficiary certificate							
	KTGOV3M12	-	Current financial assets at fair value through profit or loss	2,000,000	18,034	-	18,034	Note 2
	KTSS		Current financial assets at fair value through profit or loss	44.9214	1	-	1	Note 2

Note 1: Marketable securities referred to in this table are stocks that fall within the scope of IFRS 9 - "Financial Instruments."

Note 2: There are no guarantees, pledges of loans, or other restrictions.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

January 1 to December 31, 2023

Table 2

Unit: Unless otherwise stated, in NT$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Purchase	$ 495,404	97	Note 1	-	Note 1	($ 267,822)	94	-
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Sales	(495,404)	48	Note 1	-	Note 1	267,822	59	-

Note 1: O/A 150 days.

Note 2: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2023

Table 3

Unit: Unless otherwise stated, in NT$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	$ 267,822	1.95	$ -	—	$ 96,306	$ -

Note 1: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

The business relationship between the parent and the subsidiaries and significant transactions between them

January 1 to December 31, 2023

Table 4

Unit: Unless otherwise stated, in NT$ thousands.

No. (Note 1)	Investee Company	Counterparty	Relationship (Note2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage to Total Sales or Assets (%) (Note 3)
0	Ji-Haw Industrial, Co., Ltd.	J.H.P	1	Purchase	$ 495,404	By contract terms	43
		J.H.P	1	Accounts payable	267,822	150 days from the end of month	16

Note 1: "0" stands for the parent company. Subsidiaries are numbered from "1".

Note 2: 1 represents the company's transactions with its subsidiaries. 2 represents transactions between subsidiaries.

Note 3: Regarding calculation of the percentage of transaction amount to the total consolidated revenue or assets, for assets and liabilities, amounts are shown as a percentage to consolidated total assets as of December 31, 2022, while revenues, costs, and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2022.

Note 4: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

January 1 to December 31, 2023

Table 5

Unit: Unless otherwise stated, in NT$ thousands.

Investor	Investee	Location	Main Business Activities	Initial investment amount		Holding at period end			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Remarks
				At the End of the Current Period	At the End of Last Year	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	$ 207,215	$ 207,215	18,600,000	100.00	$ 472,224	($ 47,211)	($ 47,211)	-
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,415	139	139	-
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	-	-	100.00	2,768	(114)	(114)	-
	CHINTEK INC.	19F-6, No. 7, Sec. 3, New Taipei Boulevard, Xinzhuang District, New Taipei City	Development and sales of automotive electronics and other software products	98,000	-	1,600,000	100.00	89,604	(18,979)	(8,396)	Note 2
	CERMAX CO., LTD.	No. 36, Lane 816, Bo'ai Street, Zhubei City, Hsinchu County	Manufacturing and trading of precision ceramics, precision instruments and machinery	20,000	-	1,250,000	25.04	19,154	(13,234)	(846)	Note 2

Note 1: Please refer to Table 6 for information on investees in Mainland China.

Note 2: The investment loss recognized in the current year is recognized in accordance with the shareholding ratio from the date of acquisition.

Note 3: All the inter-investee investment gains and losses, the investment company's investment under the equity method, and the investee's net equity listed in the above table have been written off when the consolidated financial statements are prepared, except for CERMAX.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investment in mainland China

January 1 to December 31, 2023

Table 6

Unit: Unless otherwise stated, in NT$ thousands.

Investee	Main Business Activities	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Current Period	Net profit (loss) of the investee for the year ended December 31, 2021	Percentage of Ownership of Direct or Indirect Investment	Investment net profit (Loss)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US$100,000	Direct investment with 100% ownership	$ 3,070 (US$ 100,000)	$ -	$ -	$ 3,070 (US$ 100,000)	$ 914	100.00%	$ 914	$ 78,917	$ 277,250	—
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	US$12,600,000	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	294,768 (US$9,600,000)	-	-	294,768 (US$9,600,000)	(50,656)	100.00%	(50,656)	572,693	-	Note 2
Chuzhou Dingwang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	(42,290)	39.00%	(16,873)	1,672	-	—

Accumulated Outward Remittance from Taiwan for Investment in Mainland China at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 297,838 (US$9,700,000)	$ 389,953 (US$12,700,000)	$ 526,951 (Note 3)

Note 1: The calculation is based on the spot exchange rate at the end of December 2023, except for the investee's profit and loss and investment profit and loss recognized in the current period, which are based on the average exchange rate from January 1 to December 31, 2023.

Note 2: For the investment losses of NT$50,656 thousand recognized in the current year, except for the investment losses of NT$20,504 thousand recognized by the Company based on 40.48% of the Company's shareholding, the remaining investment losses of NT$30,152 thousand were recognized through 100% owned subsidiary J.B.T subject to the shareholding of 59.52%.

Note 3: Calculated pursuant to Article 3 of “Principle of investment or Technical Cooperation in Mainland China”, MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Note 4: The above table shows the investment profit and loss of the reinvestments, the investment of the investing company using the equity method and the net equity value of the invested companies. Except for Chuzhou Dingwang, has been written off when the consolidated financial statements are prepared.

Ji-Haw Industrial, Co., Ltd.

Information on major shareholders

December 31, 2023

Table 7

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
No data for this quarter	-	-

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The number of shares stated in the consolidated financial statements of the company may differ from the actual number of shares delivered without physical registration, potentially due to variations in the calculation methodology or other factors.

(Appendix II), 2023 parent company only financial statements

Stock Code: 3011

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

STANDALONE FINANCIAL STATEMENTS

with Independent Auditors' Report

2023 and 2022

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Independent Auditor's Report

To Ji-Haw Industrial, Co., Ltd.:

Opinions

We have audited the accompanying parent company only balance sheets of Ji-Haw Industrial Co., Ltd. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flow from January 1 to December 31, 2023 and 2022, as well as notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Ji-Haw Industrial Co., Ltd. as of December 31, 2023 and 2022, and the parent company only financial performance and the parent company only cash flows from January 1 through December 31, 2023 and 2022, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinion

We are entrusted to conduct the audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities as an auditor under the abovementioned standards will be explained in the Responsibilities paragraph. We are independent of Ji-Haw Industrial, Co., Ltd. in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Issues

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Ji-Haw Industrial Co., Ltd. for the year 2023. These issues have already been addressed when we audited and formed our opinions on the Standalone Financial Statements. Therefore we do not provide opinions separately for individual issues.

Key audit matters for the parent company only financial statements of Ji-Haw Industrial Co., Ltd. for the year 2023 are stated as follows:

Recognition of sales revenue

Ji-Haw Industrial Co., Ltd. are mainly engaged in the manufacturing, processing and trading of precision electronic connectors and sockets, connectors, wires, cables and various electronic components, as well as other industrial and commercial services. However, the overall market demand has declined this year, but the revenue for the sales to certain customers grew against the trend. As the amount and proportion of such increase are considered significant, we include the recognition of sales revenue from the customer as a key audit matter for Ji-Haw Industrial Co., Ltd. For the accounting policies related to the recognition of operating revenue and relevant disclosure information, please refer to Notes 4 and 19 to the parent company only financial statements.

The main audit procedures that we have performed with respect to the above-mentioned key audit matters are as follows:

1. Understand and test the effectiveness of the design and implementation of the main internal control related to the sales revenue recognition.
2. In order to confirm the authenticity of the sales transactions, we select appropriate samples from the transaction details of customers with significant increase in sales revenue, check transaction vouchers, and confirm the fund remittance recipient and collection process.
3. Send letters to the balance of accounts receivable at the end of the year to customers with significant increases in sales revenue, and implement alternative procedures for those who fail to receive a confirmation in a timely manner, including checking the transaction vouchers and observing the post-period collection status.

Responsibilities of the Management and Governance Body to the Standalone Financial Statements

Responsibilities of the management were to prepare and ensure fair presentation of the Standalone Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal control practices that are relevant to the preparation of Standalone Financial Statements so that the Standalone Financial Statements are free of material misstatements, whether caused by fraud or error.

In preparing the parent company only financial statements, the management's responsibilities also include assessing the ability of the Ji-Haw Industrial Co., Ltd. to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting, unless the management intends to liquidate Ji-Haw Industrial Co., Ltd. or cease operations, or has no other viable alternative but to liquidate or suspend business.

The governing body of Ji-Haw Industrial Co., Ltd. (including the Audit Committee) are responsible for supervising the financial reporting process.

Responsibilities of the Auditor When Auditing Standalone Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the Standalone Financial Statements were prone to material misstatements, whether due to fraud or error, and to issue a report of our audit opinions. Reasonable assurance is a high level of assurance. However, an audit conducted in accordance with the Standards on Auditing cannot guarantee that material misstatements in the parent company's financial statements will be detected. Misstatements can arise from fraud or error Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the Standalone Financial Statement user.

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

1. Identify and assess the risks of material misstatement of the parent company's only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ji-Haw Industrial, Co., Ltd..
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Ji-Haw Industrial, Co., Ltd. to continue as a going concern. We are bound to remind users of Standalone Financial Statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence

obtained up to the date of our auditors' report. However, future events or conditions may cause Ji-Haw Industrial, Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Ji-Haw Industrial, Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion of Ji-Haw Industrial, Co., Ltd.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Ji-Haw Industrial, Co., Ltd. for the year 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

Huang Yao-Lin, CPA

Chou Shih-Chieh, CPA

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1060004806

Approval reference number of Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1110348898

March 15, 2024

Ji-Haw Industrial, Co., Ltd.

Balance Sheets

December 31, 2023 and 2022

Unit: NT$ thousand

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash (Note 4 and 6)	$ 37,171	2	$ 166,521	11
1170	Accounts receivable (Notes 4, 8 and 19)	184,396	12	192,762	13
1210	Other receivables - Related parties (Note 26)	10,900	1	-	-
130X	Inventories (Notes 4 and 9)	60,229	4	51,889	4
1470	Other current assets (Note 4 and 21)	10,386	1	1,794	-
11XX	Total current assets	303,082	20	412,966	28
	Non-current Assets				
1550	Investments accounted for using equity method (Notes 4, 10, 22, and 29)	898,908	59	863,845	59
1600	Property, plant and equipment (Notes 4, 11 and 27)	196,751	13	108,738	8
1755	Right-of-use assets (Notes 4 and 12)	18,544	1	-	-
1760	Investment property (Notes 4, 13, and 27)	65,061	4	66,374	5
1780	Intangible assets (Notes 4 and 14)	9,381	1	-	-
1840	Deferred income tax assets (Notes 4 and 21)	6,130	-	6,607	-
1990	Other non-current assets (Note 4)	23,278	2	75	-
15XX	Total non-current assets	1,218,053	80	1,045,639	72
1XXX	Total assets	$ 1,521,135	100	$ 1,458,605	100
Code	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (Notes 15 and 27)	$ 300,000	20	$ 100,000	7
2170	Notes and Accounts Payable	10,870	1	17,144	1
2180	Accounts payable - Related parties (Note 26)	273,827	18	242,380	17
2200	Other payables (Note 16)	13,723	1	21,623	1
2280	Lease liabilities - current (Notes 4 and 12)	6,751	-	-	-
2300	Other current liabilities	371	-	205	-
21XX	Total current liabilities	605,542	40	381,352	26
	Non-current liabilities				
2570	Deferred income tax liabilities (Notes 4 and 21)	22,990	1	54,895	4
2580	Lease liabilities - non-current (Notes 4 and 13)	11,902	1	-	-
2640	Net defined benefit liabilities (Notes 4 and 17)	886	-	823	-
2670	Guarantee deposits received (Note 4)	1,562	-	1,562	-
25XX	Total non-current liabilities	37,340	2	57,280	4
2XXX	Total liabilities	642,882	42	438,632	30
	Equity (Notes 4 and 18)				
3100	Common shares	1,127,192	74	1,127,192	77
3200	Capital surplus	226,697	15	226,697	16
	Accumulated losses				
3310	Appropriated as legal capital reserve	23,586	2	23,586	2
3320	Special reserve	218,029	14	218,029	15
3350	Losses to be offset	(626,001)	(41)	(494,359)	(34)
3300	Total accumulated losses	(384,386)	(25)	(252,744)	(17)
3400	Other equity	(91,250)	(6)	(81,172)	(6)
3XXX	Total equity	878,253	58	1,019,973	70
	Total liabilities and equities	$ 1,521,135	100	$ 1,458,605	100

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

Chairman: Shih Hao-Ji　　General Manager: Lin Meng-Chieh　　Accounting Manager: Chen Po-Jung

Ji-Haw Industrial, Co., Ltd.

Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD Thousand, but NTD for the loss per share

		2023		2022	
Code		Amount	%	Amount	%
4000	Operating revenues (Notes 4, 19, and 26)	$ 533,710	100	$ 698,712	100
5000	Operating cost (Notes 9 and 26)	512,040	96	655,692	94
5900	Gross profit	21,670	4	43,020	6
	Operating expenses (Notes 8, 17, and 20)				
6100	Selling expenses	47,364	9	36,195	5
6200	Administrative expenses	61,847	12	47,925	7
6300	R&D expenses	7,682	1	7,374	1
6450	Reversal of Impairment loss of expected credit loss	(8)	-	(28)	-
6000	Total operating expenses	116,885	22	91,466	13
6900	Operating loss	(95,215)	(18)	(48,446)	(7)
	Non-operating income and expenses				
7100	Interest income	1,742	-	510	-
7010	Other income (Notes 19 and 20)	9,440	2	11,380	2
7020	Other gains and losses (Notes 20 and 29)	93	-	9,321	1
7050	Finance costs (Note 20)	(2,804)	(1)	(2,460)	-
7060	Share of the profit or loss of subsidiaries and associates accounted for using equity method (Notes 4 and 10)	(76,018)	(14)	20,328	3
7000	Total non-operating income and expenses	(67,547)	(13)	39,079	6

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Loss before tax	($ 162,762)	(31)	($ 9,367)	(1)
7950	Income tax gains (expenses) (Notes 4 and 21)	31,366	6	(4,119)	(1)
8200	Net loss for the year	(131,396)	(25)	(13,486)	(2)
	Other comprehensive income				
	Items Not Reclassified Into Profit or Loss				
8311	Remeasurement of defined benefit plan (Notes 4 and 17)	(308)	-	2,573	-
8349	Income tax related to items not reclassified into profit or loss (Notes 4 and 21)	62	-	(515)	-
8310		(246)	-	2,058	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences from the translation of financial statements of foreign operations (note 4)	(10,078)	(2)	21,111	3
8300	Other comprehensive income (after tax)	(10,324)	(2)	23,169	3
8500	Total comprehensive income for the year	($ 141,720)	(27)	$ 9,683	1
	Loss per share (Note 22)				
9750	Basic	($ 1.17)		($ 0.12)	

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

Chairman: Shih Hao-Ji General Manager: Lin Meng-Chieh Accounting Manager: Chen Po-Rong

Ji-Haw Industrial, Co., Ltd.

Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: thousands of New Taiwan Dollar unless otherwise specified

Code		Common shares	Capital surplus	Accumulated losses: Appropriated as legal capital reserve	Accumulated losses: Special reserve	Accumulated losses: Losses to be offset	Accumulated losses: Total	Other equity: Exchange differences from the translation of financial statements of foreign operations	Other equity: Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity: Total	Total equity
A1	Balance as of January 1, 2022	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 482,931)	($ 241,316)	($ 88,283)	($ 14,000)	($ 102,283)	$ 1,010,290
D1	Net loss in 2022	-	-	-	-	(13,486)	(13,486)	-	-	-	(13,486)
D3	Other comprehensive income after tax in 2022	-	-	-	-	2,058	2,058	21,111	-	21,111	23,169
D5	Total comprehensive income in 2022	-	-	-	-	(11,428)	(11,428)	21,111	-	21,111	9,683
Z1	Balance as of December 31, 2022	1,127,192	226,697	23,586	218,029	(494,359)	(252,744)	(67,172)	(14,000)	(81,172)	1,019,973
D1	Net loss in 2023	-	-	-	-	(131,396)	(131,396)	-	-	-	(131,396)
D3	Other comprehensive income after tax in 2023	-	-	-	-	(246)	(246)	(10,078)	-	(10,078)	(10,324)
D5	Total comprehensive income in 2023	-	-	-	-	(131,642)	(131,642)	(10,078)	-	(10,078)	(141,720)
Z1	Balance as of December 31, 2023	$ 1,127,192	$ 226,697	$ 23,586	$ 218,029	($ 626,001)	($ 384,386)	($ 77,250)	($ 14,000)	($ 91,250)	$ 878,253

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

Chairman: Shih Hao-Ji　　General Manager: Lin Meng-Chieh　　Accounting Manager: Chen Po-Rong

Ji-Haw Industrial, Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

Code		2023	2022
	Cash flows from operating activities		
A00010	Net loss before tax for the current year	($ 162,762)	($ 9,367)
A20010	Adjustments:		
A20100	Depreciation expense	8,508	7,338
A20200	Amortization Expenses	71	-
A20300	Reversal of Impairment loss of expected credit loss	(8)	(28)
A20900	Finance costs	2,804	2,460
A21200	Interest income	(1,742)	(510)
A22500	Losses from disposal of property, plant and equipment	2,609	-
A22300	Share of profit or loss of subsidiaries and associates using the equity method	76,018	(20,328)
A23700	Write-down of inventories	2,835	353
A24100	Unrealized foreign currency exchange gain or loss	(1,306)	2,967
A30000	Changes in operating assets and liabilities		
A31190	Other receivables－related parties	(10,900)	-
A31150	Accounts receivable	2,220	155,159
A31200	Inventories	(11,175)	14,813
A31240	Other current assets	(8,592)	2,603
A32150	Notes and Accounts Payable	32,633	(78,917)
A32180	Other payables	(7,900)	2,521
A32230	Other current liabilities	166	(468)
A32240	Net defined benefit liabilities	(245)	(463)
A33000	Cash generated from operations	(76,766)	78,133
A33300	Interest paid	(2,751)	(2,460)
AAAA	Net cash inflow (outflow) from operating activities	(79,517)	75,673
	Cash flows from investing activities		
B01800	Acquisition of long-term equity investment under equity method	(121,159)	-
B02300	Proceeds from the disposal of subsidiaries	-	25,489
B02700	Acquisition of property, plants, and equipment	(96,458)	(329)
B04500	Purchase of intangible assets	(9,452)	-
B05350	Acquisition of right-of-use assets	(356)	-
B07200	Increase in other non-current assets	(23,203)	(41)

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Code		2023	2022
B07500	Interest received	$ 1,742	$ 510
B07600	Receipt of dividends from subsidiaries	-	92,748
BBBB	Net Cash Inflow (outflow) From Investing Activities	(248,886)	118,377
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	200,000	(135,000)
C03000	Decrease in guarantee deposits	-	(111)
C04020	Repayment of principal of lease liabilities	(947)	-
CCCC	Net cash flows from (used in) financing activities	199,053	(135,111)
EEEE	Net increase (decrease) in cash	(129,350)	58,939
E00100	Cash at the beginning of the year	166,521	107,582
E00200	Cash at the end of the year	$ 37,171	$ 166,521

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

Chairman: Shih Hao-Ji　General Manager: Lin Meng-Chieh　Accounting Manager: Chen Po-Rong

Ji-Haw Industrial, Co., Ltd.
Notes to Standalone Financial Statements
January 1 to December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

I. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollars.

II. Date and procedure for adopting parent company only financial statements

The parent company only financial statements were approved by the Board of Directors on March 13, 2024.

III. New standards, amendments, and interpretations adopted

(I) The first-time adoption of any International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs" below) that have been endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the accounting policies of the Company.

(II) IFRSs approved by the FSC applicable in 2024

New IFRSs	The effective date of issuance by the International Accounting Standards Board (IASB) (Note 1)
Amendments to IFRS 16 Regarding "Lease Liability in A Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	January 1, 2024
Amendments to IAS 7 and IFRS 7 regarding “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: 16 days after the initial application of IFRS, the amendments to IFRS 16 should be applied retroactively for all sales and leaseback transactions signed.

Note 3: Certain requirements on the disclosure may be exempted at the time of the Company's first application of the amendments.

As of the date the parent company only financial statements were approved for issue, the Company continues to evaluate the impact of the amendments to the above standards and interpretations on its parent company only financial position and parent company only financial performance. The relevant impact will be disclosed when the evaluation is completed.

(III) IFRS accounting standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Convertibility".	January 1, 2025 (Note 2)

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

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings as of the initial application date. When a non-functional currency is used as the presentation currency, the impact on the exchange differences of foreign operations under equity on the date of initial application will be adjusted.

As of the date the parent company only financial statements were approved for issue, the Company continues to evaluate the impact of the amendments to the above standards and interpretations on its parent company only financial position and parent company only financial performance. The relevant impact will be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets, the parent company only financial statements have been prepared on the basis of historical cost.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

The subsidiaries are incorporated in the standalone financial statements under the equity method. To make the current income, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company in the consolidated financial statements, the effect of the differences between standalone and consolidated basis of consolidation are adjusted in the "investments accounted for using the equity method," the "share of profit or loss of subsidiaries and associates accounted for using the equity method," and related equity.

(III) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within twelve months after the reporting period; and
3. Cash unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;

2. Liabilities due to be settled within 12 months after the balance sheet date (even if a long-term refinancing or payment rearrangement agreement has been completed after the balance sheet date and before the financial statements are approved for issue, they are also classified as current liabilities); and
3. Liabilities without an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

(IV) Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting standalone financial statements, the assets and liabilities of foreign operations are translated into the presentation currency - New Taiwan dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(V) Inventories

Inventories consist of raw materials and finished goods. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

(VI) Subsidiary

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the share of other equity of subsidiaries.

When the Company’s share of loss in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company’s net investment in the subsidiary), the loss continues to be recognized in proportion to the Company’s ownership.

When the Company assesses impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the carrying amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization), had no impairment loss been recognized in prior years.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The unrealized profits and losses are eliminated in the parent company only financial statements for downstream transactions between the Company and its subsidiaries. The profit or loss arising from the countercurrent and side-stream transactions between the Company and its subsidiaries is recognized in the parent company only financial statements only to the extent that it is irrelevant to the Company's interest in the subsidiaries.

(VII) Investment in associates

Associates are enterprises over which the Company has significant influence but is not a subsidiary or a joint venture.

The Company adopts the equity method for investment in associates.

Under the equity method, an investment in an associate is initially recognized at cost, and the carrying amount after the acquisition is adjusted based on the Company's share of the gains and other comprehensive income of the associate and the profit distribution. The Group also recognizes the changes in the proportionate share of equity of associates.

The acquisition cost exceeding the Company's share of the net fair value of the identifiable assets and liabilities of the associate on the date of acquisition is recognized as goodwill. The goodwill is included in the carrying amount of the investment and shall not be amortized. The share of net identifiable assets and liabilities net fair value of the associate exceeding the acquisition cost is recognized in the current profit or loss.

When the associate issues new shares, if the Company fails to subscribe for stock share proportionally to its shareholding, resulting in changes in shareholding ratio and thus causing changes in net worth of the equity investment, the increase or decrease amount should be adjusted to the capital surplus-changes in net equity value of associates and joint ventures under equity method and investment under equity method. If the Group’s ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Company's share of losses in an associate equals or exceeds its equity in the associate (including the carrying amount of the investment in the associate under the equity method and other long-term interests that in substance form part of the Company's net investment in the associate), the recognition of further loss is stopped. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that compose the carrying amount. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Company ceases to adopt the equity method from the date its investment ceases to be an associate, and its retained interest in the former associate is measured at fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date of cessation of the equity method is stated in the current profit and loss. Additionally, all amounts recognized in other comprehensive income related to the associate shall be accounted for on the same basis as the basis for the direct disposal of the relevant assets or liabilities by the associate. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Company continues to adopt the equity method and does not remeasure the reserved equity.

The profit or loss arising from the countercurrent, downstream and side-stream transactions between the Company and its associates is recognized in the parent company only financial statements only to the extent that it is irrelevant to the Company's interest in the associates.

(VIII) Property, plants, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(IX) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(X) Intangible Assets

Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized using the straight-line method over the useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

(XI) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill)

The Company assesses at each balance sheet date whether there are any signs of possible impairment in property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill). If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities not at fair value through profit or loss are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

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

(1) Measurement category

Financial assets held by the Company are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

A. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, including cash, notes and accounts receivable at amortized cost, other receivables, and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for the following two situations:

a. The interest revenue of purchased or originated credit-impaired financial assets shall be calculated by applying the effective interest rate to the amortized cost of a financial asset.
b. For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The interest revenue shall be calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets become credit-impaired when the following events occur: the significant financial difficulty of the issuer or the borrower; a breach of contract; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for that financial asset because of financial difficulties.

B. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

At the end of each reporting period, the Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit loss (ECL) for accounts receivable. For other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal risk management purpose, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

A. Internal or external information shows that the debtor is unlikely to pay its creditors.
B. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account,

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(XIII) Revenue recognition

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue comes from the sale of various electronic components. Sales revenue is recognized when the customer obtains the control of good, i.e. when the good is delivered to the buyer, the buyer has discretion in establishing the sales price and channel for the specified good and there is no unsatisfied performance obligation of the Company that may impact the recognition of revenue and accounts receivable at the customer’s acceptance. 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 or the Group has objective evidence that all criteria for acceptance have been satisfied.

(XIV) Leases

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

1. The Company as lessor

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

Under an operating lease, lease payment after the deduction of lease incentives is recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2. The Company as the lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets except for those meeting the definition of investment properties. Please refer to the accounting policies of investment properties for the recognition and measurement of right-of-use assets meeting the definition of investment properties.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Company remeasures the lease liabilities and adjusts the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. lease liabilities are presented on a separate line in the consolidated balance sheets.

(XV) Employee benefits

1. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Group's defined benefit plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XVI) Taxation

Income tax expenses represent the sum of the tax currently payable and deferred tax.

1. Current tax

The Company's income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all deductible temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred tax asset to be recovered.

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

3. Current and deferred tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity are recognized in the other comprehensive profit or loss or directly included in the equity. The initial recognition of assets and liabilities that are not part of those of the subsidiaries acquired affects neither taxable income nor accounting profits, and the transaction does not generate equivalent taxable and deductible temporary differences. The temporary differences generating therefor are not recognized as deferred income tax assets and liabilities. Meanwhile, the taxable temporary differences arising from the initial recognition of goodwill of investment in subsidiaries are not recognized as deferred income tax liabilities.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

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

The accounting policies, estimates, and basic assumptions adopted by the Company have been evaluated by the company's management and are free of significant uncertainty in accounting judgments, estimates, and assumptions.

VI. Cash

	December 31, 2023	December 31, 2022
Cash on hand	$ 805	$ 1,055
Checking accounts and demand deposits	36,366	165,466
	$ 37,171	$166,521

VII. Financial Assets at Fair Value Through Other Comprehensive Income

These investments in ordinary shares of Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S SQUARE SYSTEM LTD. are held for medium to long-term strategic purposes. The management elected to designate these investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Company’s strategy of holding these investments for long-term purposes.

The Group is unable to recover the investment costs as Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

VIII. Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	184,434	192,808
Less: allowance	(38)	(46)
	$184,396	$192,762

The Company's average credit period for sales is 30~135 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Company's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Company assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Company reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables:

December 31, 2023

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.02%	-	-	-	-	
Gross carrying amount	$ 184,434	$ -	$ -	$ -	$ -	$ 184,434
Loss allowance (lifetime ECL)	(38)	-	-	-	-	(38)
Amortized cost	$ 184,396	$ -	$ -	$ -	$ -	$ 184,396

December 31, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.02%	3.17%	-	-	-	
Gross carrying amount	$ 192,745	$ 63	$ -	$ -	$ -	$ 192,808
Loss allowance (lifetime ECL)	(44)	(2)	-	-	-	(46)
Amortized cost	$ 192,701	$ 61	$ -	$ -	$ -	$ 192,762

The movements of the loss allowance of trade receivables were as follows:

	2023	2022
Balance, beginning of year	$ 46	$ 74
Less: Reversal	(8)	(28)
Balance, end of year	$ 38	$ 46

IX. Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 60,229	$ 51,586
Raw materials	-	303
	$ 60,229	$ 51,889

The nature of the cost of goods sold is as follows:

	2023	2022
Cost of inventories sold	$ 509,134	$ 655,339
Other operating costs	71	-
Allowance for inventory write-downs	2,835	353
	$ 512,040	$ 655,692

X. Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Subsidiary	$ 879,754	$ 863,845
Investment in associates	19,154	-
	$ 898,908	$ 863,845

(I) Subsidiary

	December 31, 2023	December 31, 2022
J.B.T INDUSTRIAL CO., LTD. (J.B.T)	$ 472,224	$ 523,976
Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	231,826	256,234
Ji-Haw Artificial Intelligence Technology (Kunshan) Co.,Ltd. (J.H.K) (Note)	78,917	79,358

JI-HAW INVESTMENT CO., LTD. (J.H.I)	4,415	4,277
JI-HAW TECHNOLOGY VN CO., LTD (J.H.V)	2,768	-
CHINTEK INC. (CHINTEK)	89,604	-
	$ 879,754	$ 863,845

Note: The Company was renamed from Ji-Haw Electronics (Kunshan) Co., Ltd. to Ji-Haw Artificial Intelligence Technology (Kunshan) Co.,Ltd. on September 25, 2023.

The proportion of the Company's ownership in the equity and voting rights of subsidiaries on the balance sheet date was as follows:

	December 31, 2023	December 31, 2022
J.B.T	100.00%	100.00%
J.H.P (Note 1)	40.48%	40.48%
J.H.K	100.00%	100.00%
J.H.I	100.00%	100.00%
J.H.V (Note 2)	100.00%	-
CHINTEK (Note 3)	100.00%	-

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: In response to the market demand, the Company completed the registration of its incorporation on September 27, 2023.

Note 3: In order to expand the products and markets of the in-vehicle business, the Company acquired 100% equity of the company at the price of NT$98,000 thousand in cash on October 27, 2023.

(II) Investment in associates

	December 31, 2023	December 31, 2022
Individual non-significant associates		
CERMAX CO., LTD. ("CERMAX")	$ 19,154	$ -

The proportion of the Company's ownership in the equity and voting rights of associates on the balance sheet date was as follows:

Investee	December 31, 2023	December 31, 2022
CERMAX	25.04%	-

For the main business items of the above-mentioned associates, please refer to Table 4 "Information on Investees, Location, etc.."

In 2023, the Company acquired CERMAX as an individually insignificant associate at the price of NT$20,000 thousand in cash.

	2023	2022
Shares of the Company		
Net loss and other comprehensive income (loss) for the year	($ 846)	$ -

XI. Property, plants, and equipment

	Proprietary Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
Cost						
Balance on January 1, 2023	$ 88,310	$ 15,903	$ 41,784	$ 3,910	$ 2,843	$ 152,750
Additions	96,179	-	199	-	80	96,458
Disposals	-	-	(8,165)	-	(365)	(8,530)
Balance as of December 31, 2023	$ 184,489	$ 15,903	$ 33,818	$ 3,910	$ 2,558	$ 240,678
Accumulated Depreciation						
Balance on January 1, 2023	$ -	$ 12,175	$ 27,580	$ 2,437	$ 1,820	$ 44,012
Depreciation expense	-	749	4,114	594	379	5,836
Disposals	-	-	(5,556)	-	(365)	(5,921)
Balance as of December 31, 2023	$ -	$ 12,924	$ 26,138	$ 3,031	$ 1,834	$ 43,927
Net on December 31, 2023	$ 184,489	$ 2,979	$ 7,680	$ 879	$ 724	$ 196,751

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	Proprietary Land	Buildings	Machinery and equipment	Transportation Equipment	Other equipment	Total
Cost						
Balance as of January 1, 2022	$ 88,310	$ 15,903	$ 42,219	$ 3,910	$ 4,862	$ 155,204
Additions	-	-	-	-	329	329
Disposals	-	-	(435)	-	(2,348)	(2,783)
Balance as of December 31, 2022	$ 88,310	$ 15,903	$ 41,784	$ 3,910	$ 2,843	$ 152,750
Accumulated Depreciation						
Balance as of January 1, 2022	$ -	$ 11,426	$ 23,696	$ 1,814	$ 3,838	$ 40,774
Depreciation expense	-	749	4,319	623	330	6,021
Disposals	-	-	(435)	-	(2,348)	(2,783)
Balance as of December 31, 2022	$ -	$ 12,175	$ 27,580	$ 2,437	$ 1,820	$ 44,012
Net Balance as of December 31, 2022	$ 88,310	$ 3,728	$ 14,204	$ 1,473	$ 1,023	$ 108,738

The above items of property, plants, and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	10-24 years
Machinery and equipment	5-8 years
Transportation Equipment	5 years
Other equipment	2-5 years

Depreciation is calculated over the estimated useful lives of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

For the amount of property, plant and equipment pledged for loans, please refer to Note 27.

XII. Lease agreement

(I) Right-of-use assets

	December 31, 2023
Carrying amounts	
Buildings	$ 14,520
Transportation Equipment	4,024
	$ 18,544

	2023
Additions to right-of-use assets	$ 19,903
Depreciation charge for right-of-use assets	
Buildings	$ 854
Transportation Equipment	505
	$ 1,359

Except for the above additions and recognized depreciation expenses, there was no significant sublease or impairment of the Company's right-of-use assets in 2023. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(II) Lease liabilities

	December 31, 2023
Carrying amount of the lease liabilities	
Current	$ 6,751
Non-current	$ 11,902

Range of discount rates for lease liabilities was as follows:

	December 31, 2023
Buildings	2.10%
Transportation Equipment	2.10%~2.30%

(III) Other lease information

	December 31, 2023
Total cash outflow for leases	($ 978)

XIII. Investment properties

	Proprietary Land	Buildings	Total
Cost			
Balance on January 1 and December 31, 2023	$ 60,240	$ 31,840	$ 92,080
Accumulated Depreciation			
Balance on January 1, 2023	$ -	$ 25,706	$ 25,706
Depreciation expense	-	1,313	1,313
Balance as of December 31, 2023	$ -	$ 27,019	$ 27,019
Net on December 31, 2023	$ 60,240	$ 4,821	$ 65,061
Cost			
Balance on January 1 and December 31, 2022	$ 60,240	$ 31,840	$ 92,080
Accumulated Depreciation			
Balance as of January 1, 2022	$ -	$ 24,389	$ 24,389
Depreciation expense	-	1,317	1,317
Balance as of December 31, 2022	$ -	$ 25,706	$ 25,706
Net Balance as of December 31, 2022	$ 60,240	$ 6,134	$ 66,374

The lease term of investment properties is 1 year with the option to extend. The rent will be adjusted based on market price when the lessee exercises the option to renew, which is included in the terms of all lease contracts. The lessee is not granted the bargain purchase option at the end of lease term.

Lease payments receivable under operating leases of investment properties in the future was as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 5,094	$ 5,787

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	10-24 years

Depreciation is calculated over the estimated useful lives of 10 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

The fair value of the investment property has been initially appraised by an independent appraiser, and the Level 3 input value has been measured by the management of the Company at each subsequent balance sheet date using the appraisal model commonly used by market participants. The fair value of the Company's investment properties is regularly evaluated based on the above-mentioned independent appraiser's valuation, taking into account the market evidence of real estate transaction prices in nearby areas. The fair value derived from evaluation is as follows:

	December 31, 2023	December 31, 2022
Land and buildings held under freehold interests	$279,634	$279,540

Please refer to Note 27 for the amount of investment property pledged for loans.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	December 31, 2023	December 31, 2022
Lease commitments for investment properties	$ 5,094	$ 5,787

XIV. Intangible Assets

	Software licensing	Technology licensing	Total
Cost			
Balance on January 1, 2023	$ -	$ -	$ -
Acquired separately	8,513	939	9,452
Balance as of December 31, 2023	$ 8,513	$ 939	$ 9,452

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	Software licensing	Technology licensing	Total
Accumulated Amortization			
Balance on January 1, 2023	$ -	$ -	$ -
Amortization Expenses	71	-	71
Balance as of December 31, 2023	$ 71	$ -	$ 71
Net on December 31, 2023	$ 8,442	$ 939	$ 9,381

The Company holds the license of AI-related software. As of December 31, 2023, the carrying amount was NT$8,442 thousand and will be fully amortized within 10 years.

Amortization expenses are accrued on a straight-line basis over the following useful lives:

Software licensing	10 years
Technology licensing	10 years

Summary of amortization expenses by function:

	2023
Operating costs	$ 71

XV. Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 27)		
Bank borrowing	$300,000	$100,000

As of December 31, 2023 and 2022, the annual interest rates for revolving bank borrowings were 1.99% and 2.24%, respectively.

XVI. Other payables

	December 31, 2023	December 31, 2022
Payables for salaries and bonuses	$ 7,944	$ 7,353
Payables for expenses	5,779	14,270
	$ 13,723	$ 21,623

XVII. Post-retirement benefit plan

(I) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

(II) Defined benefit plans

The pension system adopted by the Company in accordance with the "Labor Standards Act" of the R.O.C. is a state-managed defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 5.8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment policy and strategy.

The amounts included in the standalone balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 1,935	$ 7,522
Fair value of plan assets	(1,049)	(6,699)
Net defined benefit liabilities	$ 886	$ 823

Movements in net defined benefit liabilities were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2022	$ 9,425	($ 5,566)	$ 3,859
Current service cost	75	-	75
Net interest expense	45	-	45
Expected return on plan assets	-	(28)	(28)
Recognized in profit or loss	120	(28)	92

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Remeasurement			
Actuarial profit or loss - changes in assumptions	($ 951)	($ 550)	($ 1,501)
Actuarial profit or loss - changes in experience	(1,072)	-	(1,072)
Recognized in other comprehensive income	(2,023)	(550)	(2,573)
Contributions from the employer	-	(555)	(555)
Balance as of December 31, 2022	$ 7,522	($ 6,699)	$ 823
Balance on January 1, 2023	$ 7,522	($ 6,699)	$ 823
Current service cost	66	-	66
Net interest expense	127	-	127
Expected return on plan assets	-	(118)	(118)
Recognized in profit or loss	193	(118)	75
Remeasurement			
Actuarial profit or loss - changes in assumptions	102	22	124
Actuarial profit or loss - changes in experience	184	-	184
Recognized in other comprehensive income	286	22	308
Contributions from the employer	-	(320)	(320)
Benefits paid	(6,066)	6,066	-
Balance as of December 31, 2023	$ 1,935	($ 1,049)	$ 886

An analysis by function of the amounts recognized in profit or loss in respect to the defined benefit plans is as follows:

	2023	2022
Administrative expenses	$ 75	$ 92

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2. Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.222%	1.694%
Expected return on plan assets	1.222%	1.694%
Expected rate of salary increase	0.500%	0.500%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 55)	($ 186)
0.25% decrease	$ 57	$ 192
Expected rate of salary increase		
0.25% increase	$ 56	$ 192
0.25% decrease	($ 54)	($ 187)
Expected return on plan assets		
0.25% increase	($ 1)	($ 1)
0.25% decrease	$ 1	$ 1

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

	December 31, 2023	December 31, 2022
The expected contributions to the plan for the next year	$ 230	$ 558
The average duration of the defined benefit obligation	11.75 years	10.29 years

XVIII. EQUITY

(I) Share capital – Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	180,000	135,000
Amount of shares authorized	$ 1,800,000	$ 1,350,000
Number of shares issued and fully paid (in thousands)	112,719	112,719
Amount of shares issued	$ 1,127,192	$ 1,127,192

Fully paid ordinary shares, with a par value of NT$10, each of which carries one vote per share and carry a right to receive dividends. The portion of authorized capital reserved for the issuance of employee stock options is 27,000,000 shares.

(II) Capital surplus

	December 31, 2023	December 31, 2022
It may be used to offset losses, distribute cash, or allocate to share capital.		
Additional paid-in capital	$200,025	$200,025
Treasury share transactions	25,915	25,915
Donated assets received	757	757
	$226,697	$226,697

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(III) Retained earnings and dividend policy

According to the company's articles of association and profit distribution policy, if there is a surplus in the annual financial statements, it shall be used to pay taxes and make up for accumulated losses. Subsequently, 10% is set aside as a statutory surplus reserve until it reaches the paid-in capital. Any remaining surplus may be allocated or reversed according to the company's operational needs or legal requirements as special surplus reserves. If there is still a balance, it will be added to the accumulated undistributed profits, and the board of directors will propose a profit distribution resolution to the shareholders' meeting for approval, ranging from 10% to 100%. Please refer to Note 20(6) for the policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation.

The cash dividend shall not be less than 30% of the total dividend. However, if the cash dividend per share is less than NT$0.1, it may be changed to a stock dividend.

The percentage of earnings distribution may be adjusted based on the actual profit, capital budget and fund status of the current year.

Appropriation of earnings to the legal reserve could be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. When the company has no losses, the portion of the statutory surplus reserve exceeding 25% of the total paid-in capital may be used for capitalization, and the remainder may be distributed in cash.

The company held shareholder meetings on June 29, 2023, and June 20, 2022, respectively, and passed resolutions for the appropriation of losses for the years 2022 and 2021.

The loss compensation proposed by the Company's Board of Directors on March 13, 2024 is expected to be resolved at the annual general meeting in June 2024.

XIX. Revenue

	2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 533,710	$ 698,712

(I) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (note 8)	$ 184,434	$ 192,808	$ 350,129

(II) Disaggregation of revenue from contracts with customers

2023

	Reportable segment		
	Connection cables	Others	Total
Category of products or services			
Revenue from sale of goods	$ 528,503	$ 5,207	$ 533,710

2022

	Reportable segment		
	Connection cables	Others	Total
Category of products or services			
Revenue from sale of goods	$ 691,382	$ 7,330	$ 698,712

XX. Net profit

(I) Other income

	2023	2022
Rental income	$ 9,328	$ 10,143
Others	112	1,237
	$ 9,440	$ 11,380

(II) Other gains and losses

	2023	2022
Net foreign exchange gain	$ 4,015	$ 11,933
Losses from disposal of property, plant and equipment	(2,609)	-
Others	(1,313)	(2,612)
	$ 93	$ 9,321

(III) Finance costs

	2023	2022
Interest expense from bank borrowing	$ 2,720	$ 2,460
Interest expense from lease liabilities	84	-
	$ 2,804	$ 2,460

(IV) Depreciation and amortization

	2023	2022
Property, plants, and equipment	$ 5,836	$ 6,021
Right-of-use assets	1,359	-
Investment properties	1,313	1,317
Intangible Assets	71	-
Total	$ 8,579	$ 7,338
Analysis of depreciation by function		
Operating expenses	$ 7,195	$ 6,021
Other gains and losses	1,313	1,317
	$ 8,508	$ 7,338
Summary of amortization expenses by function		
Operating costs	$ 71	$ -

(V) Employee benefits

	2023	2022
Retirement benefits		
Defined contribution plan	$ 2,726	$ 2,210
Defined benefit plan (Note 17)	75	92
Other employee benefits	73,930	58,000
Total	$ 76,731	$ 60,302
Analysis of employee benefits by function		
Operating expenses	$ 76,731	$ 60,302

(VI) Remuneration to employees and directors

In accordance with the Articles of Incorporation, the Company appropriated the remuneration of employees and remuneration of directors at the ratio of 3% to 15% and 1% to 5% of the profit before tax before the distribution of remuneration to employees and directors of the same year, respectively. There were both net losses before tax from January 1 to December 31, 2023 and 2022. However, the Company still has accumulated losses, so employees' remuneration and directors' remuneration have not been estimated.

If the amounts in the annual parent company only financial statements change after the date of issuance, they will be adjusted in the following year's financial statements in accordance with accounting estimates.

At the board meetings held on March 17, 2023 and March 29, 2022, the Company passed resolutions not to distribute employees' remuneration and directors' remuneration for 2022 and 2021, respectively. There is also no difference from the amounts recognized in 2022 and 2021 parent company only financial statements.

Information on employee compensation and directors' compensation resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(VII) Foreign exchange gain

	2023	2022
Total foreign exchange gain	$ 22,697	$ 43,638
Total foreign exchange loss	(18,682)	(31,705)
Net profit	$ 4,015	$ 11,933

XXI. Taxation

(I) Income tax recognized in profit or loss

The major components of tax expense (benefit) are as follows:

	2023	2022
Deferred tax		
In respect of the current year	($ 31,366)	$ 4,119
Income tax expense (benefit) recognized in profit or loss	($ 31,366)	$ 4,119

The reconciliation of accounting income and income tax expense (benefit) is as follows

	2023	2022
Income tax gains on net profit before tax calculated at statutory tax rate	($ 32,552)	($ 1,874)
Deductible temporary differences not recognized	1,186	5,993
Income tax expense (benefit) recognized in profit or loss	($ 31,366)	$ 4,119

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current year		
Re-measurement of defined benefit plans	$ 62	($ 515)

(III) Current tax assets

	December 31, 2023	December 31, 2022
Current income tax assets (stated into the "other current assets")		
Tax refund receivable	$ 219	$ 49

(IV) Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2023

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Allowance for write-down of inventories	$ 1,532	$ 567	$ -	$ 2,099
Defined benefit obligation	1,463	(49)	62	1,476
Unrealized net exchange losses (gains)	812	(1,057)	-	(245)
Unrealized impairment loss of financial assets	2,800	-	-	2,800
	$ 6,607	($ 539)	$ 62	$ 6,130
Deferred tax liabilities				
Share of the net profit of associates accounting for using equity method	$ 54,895	($ 31,905)	$ -	$ 22,990

2022

Deferred tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Allowance for write-down of inventories	$ 1,461	$ 71	$ -	$ 1,532
Defined benefit obligation	2,071	(93)	(515)	1,463
Net unrealized foreign exchange loss	16	796	-	812
Unrealized impairment loss of financial assets	2,800	-	-	2,800
Allowance in excess of the deductible limit	30	(30)	-	-
	$ 6,378	$ 744	($ 515)	$ 6,607
Deferred tax liabilities				
Share of the net profit of associates accounting for using equity method	$ 50,032	$ 4,863	$ -	$ 54,895

(V) Unused loss carryforwards for which no deferred tax assets have been recognized in the standalone balance sheets

	December 31, 2023	December 31, 2022
Loss carryforwards		
Expiry in 2023	$ -	$ 14,073
Expiry in 2024	46,971	46,971

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	December 31, 2023	December 31, 2022
Expiry in 2025	$ 64,045	$ 64,045
Expiry in 2026	53,454	53,454
Expiry in 2027	70,987	70,987
Expiry in 2029	67,882	67,882
Expiry in 2030	50,643	50,643
Expiry in 2031	79,357	79,357
Expiry in 2032	-	25,825
Expiry in 2033	89,439	-
	$ 522,778	$ 473,237

(VI) Income tax assessments

The Company's business income tax returns up to 2021 have been approved by the tax collection authority.

XXII. Loss per share

The net loss and the weighted average number of ordinary shares used to calculate the loss per share are as follows:

	2023	2022
Net loss for the year	($131,396)	($ 13,486)

Shares

Unit: Thousand shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic net losses per share	112,719	112,719

XXIII. Acquisition of invested subsidiaries - acquisition of control over a business

	Main operating activities	Date of acquisition	Owner's equity with voting rights/percentage of acquisition (%)	Transfer consideration
CHINTEK	Software development and design	October 27, 2023	100	$ 98,000

The Company acquired CHINTEK to expand the product and market of the in-vehicle business. Please refer to Note 28 to the Company's 2023 consolidated financial statements for a description of the acquisition of CHINTEK.

XXIV. Capital management

In consideration of the industry characteristics and future developments, as well as external environmental factors, the Company plans its needs for future working capital, research and development expenses, and dividend payments, in order to ensure that entities in the Group will be able to continue as going concerns while maximizing shareholder value in the long run through maintaining optimal capital structure and the optimization of the debt and equity balance.

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure through the payment of dividends, borrowings from financial institutions or the payment of old debt.

The Company is not subject to other external capital requirements.

XXV. Financial Instruments

(I) Fair value of financial instruments that are not measured at fair value

The Company believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(II) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost (note 1)	$235,836	$359,398
Financial liabilities		
Measured at amortized cost (note 2)	592,038	375,356

Note 1: The balance includes cash and cash equivalents, accounts receivable, other receivables (stated into other current assets), and refundable deposits, and other financial assets measured at amortized cost.

Note 2: The balances include short-term borrowings, notes and accounts payable, accounts payable-related party, other payables, guarantee deposits received, and other financial liabilities measured at amortized cost.

(III) Financial risk management objectives and policies

The Company engages in multiple financial instruments for its operating activities, including equity investment, accounts receivable, accounts payable, bank borrowings and lease liabilities. However, due to the aforementioned financial instruments and operating activities, the Company is exposed to risks such as credit risk, liquidity risk, and market risk.

To avoid the possible adverse impact by the aforementioned financial risks on the Company, the Company has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Company is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Company is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Company.

1. Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date, please refer to Note 29.

Sensitivity Analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Company when the New Taiwan dollar (functional currency) strengthens or weakens by 1% against relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase or decrease in pre-tax profit associated with the New Taiwan dollar depreciating by 1% against the relevant currency. For New Taiwan dollar appreciating by 1% against the relevant currency, pre-tax losses would have decreased by the same amount.

	USD impact	
	2023	2022
Profit or loss	($ 769)	$ 803

This was mainly due to the Company's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial liabilities	$ 18,653	$ -
Risk of cash flow changes due to interest rate		
Financial assets	35,490	164,570
Financial liabilities	300,000	100,000

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 100 basis points, and all other variables remain unchanged, the Company's net loss before tax for 2023 and 2022 would have increased/decreased by NT$2,645 thousand and NT$645 thousand, respectively. This is mainly due to the Company's net position of variable interest rate deposits and variable interest rate borrowings.

(3) Other price risk

The Company was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Company does not actively trade these investments. Relevant personnel has been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Company’s maximum exposure to credit risk resulting from the counterparty’s default on its contractual obligations and the Company’s provision of financial guarantee is the carrying amount of the financial assets on the standalone balance sheets.

To mitigate the impact of credit risk, the Company considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc.), based on which credit policies, payment terms and trade terms were established by the accounting department.

If necessary, a third-party risk assessment institution was engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEx) companies with normal transaction records, the default risks is quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is limited impact of the credit risk on the Company. Furthermore, the Company has established a provision policy, set allowance account, and presented in the statement to reflect the estimation of the potential loss resulted from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Company's failure to settle the financial liabilities by cash or other financial assets. The share capital and working capital of the Company is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Company. As of December 31, 2023 and 2022, the undrawn financing facilities of the Company were NT$100,000 thousand and NT$320,000 thousand, respectively.

<u>Liquidity and interest rate risk tables for non-derivative financial liabilities</u>

The analysis for the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Company can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The undiscounted interest payment relating to borrowing with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 116,477	$ 94,265	$ 79,733	$ 1,562
Variable interest rate liabilities	100,169	-	201,792	-
Lease liabilities	509	1,180	5,312	12,132
	$ 217,155	$ 95,445	$ 286,837	$ 13,694

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative Financial Liabilities				
Non-interest bearing liabilities	$ 104,422	$ 81,013	$ 74,089	$ 1,562
Variable interest rate liabilities	-	-	100,111	-
	$ 104,422	$ 81,013	$ 174,200	$ 1,562

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

XXVI. Related-party transactions

In addition to those disclosed in other notes, details of transactions between the Company and other related parties were disclosed below:

(I) Related party name and category

Related Party Name	Relationship with the Company
J.B.T	Subsidiaries
J.H.P	Subsidiaries

(II) Operating income

Account Item	Related Party Category	2023	2022
Revenue from sale of goods	Subsidiaries	$ 139	$ 4,342

(III) Operating costs

Account Item	Related Party Name	2023	2022
Purchase	J.H.P	$ 495,404	$ 582,852
	Subsidiaries	16,992	-
		$ 512,396	$ 582,852

(IV) Receivables from related parties

Account Item	Related Party Name	December 31, 2023	December 31, 2022
Other receivables - related parties	J.H.P	$ 10,900	$ -

No guarantee is received for the outstanding accounts receivable from related parties. No loss allowance was provided for receivables from related parties in 2023.

(V) Payables to related parties (excluding borrowings from related parties)

Account Item	Related Party Name/Category	December 31, 2023	December 31, 2022
Accounts payable - related parties	J.H.P	$ 267,822	$ 241,811
	Subsidiaries	6,005	569
		$ 273,827	$ 242,380

The Company purchases finished products from its subsidiaries directly or through triangle trade at the price equaling the final sales price of the finished products. The resulting accounts payable generally offsets the accounts receivable from the sale of raw materials. The payment term is 150 days from the end of month.

(VI) Compensation to key management of the Group

	2023	2022
Short-term employee benefits	$ 7,487	$ 2,975
Retirement benefits	335	154
	$ 7,822	$ 3,129

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and markets.

XXVII. Pledged assets

The following assets were provided as collateral for bank borrowings:

	December 31, 2023	December 31, 2022
Property, plants, and equipment	$ 91,289	$ 92,038
Investment properties	65,061	66,374
	$156,350	$158,412

XXVIII. Major Post Balance Sheet Events

On March 13, 2024, the Company's Board of Directors approved the equity investment of NT$40,000 thousand.

XXIX. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

	Foreign currencies	Exchange Rate	Carrying Amount
Foreign Currency Assets			
Monetary Item			
USD	$ 6,717	30.705 (USD:NTD)	$ 206,245
Non-monetary items			
Investments accounted for using equity method			
USD	10,264	30.705 (USD:NTD)	315,158
THB	523,704	0.9017 (THB:NTD)	472,224
VND	2,306,667	0.0012 (VND:NTD)	2,768
Foreign Currency Liabilities			
Monetary Item			
USD	9,222	30.705 (USD:NTD)	283,162

December 31, 2022

Foreign Currency Assets	Foreign currencies	Exchange Rate	Carrying Amount
Monetary Item			
USD	$ 10,969	30.71 (USD:NTD)	$ 336,844
Non-monetary items			
Investments accounted for using equity method			
USD	11,067	30.71 (USD:NTD)	339,869
THB	586,037	0.8941 (THB:NTD)	523,976
Foreign Currency Liabilities			
Monetary Item			
USD	8,353	30.71 (USD:NTD)	256,511

Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

	2023		2022	
Foreign currencies	Exchange Rate	Net exchange gains (losses)	Exchange Rate	Net exchange gains (losses)
USD	31.155 (USD:NTD)	$ 4,015	29.805 (USD:NTD)	$ 11,933

XXX. Other Disclosures

(I) Information on significant transactions:

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (None)
3. Marketable securities held - ending (excluding investments in subsidiaries and associates). (Table 1)
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital. (None)
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)
9. Trading in derivative instruments. (None)

(II) Information on investees (Table 4)

(III) Information on investment in mainland China

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(IV) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 6)

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Marketable Securities Held - ending

December 31, 2023

Table 1

Unit: Unless otherwise stated, in NT$ thousands.

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding ratio (%)	Fair value	
Ji-Haw Industrial, Co., Ltd.	shares							
	Chunghwa Picture Tubes, Ltd.	-	Current financial assets at fair value through other comprehensive income	604	$ -	-	$ -	Note 2
	Soyo Link Energy Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14	-	Note 2
	Li Wang Technology Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90	-	Note 2
	S SQUARE SYSTEM LTD.	-	Non-current financial assets at fair value through other comprehensive income	747	-	3.19	-	Note 2
J.H.I	shares							
	Vision Works Inc.	-	Non-current financial assets at fair value through profit or loss	190,000	-	19.00	-	Note 2
	ING Group N.V.	-	Current financial assets at fair value through profit or loss	3,000	1,383	-	1,383	Note 2
	TESLA MORTORS INC	-	Current financial assets at fair value through profit or loss	30	229	-	229	Note 2
	BEYOND MEAT INC	-	Current financial assets at fair value through profit or loss	80	22	-	22	Note 2
J.B.T	Fund beneficiary certificate							
	KTGOV3M12	-	Current financial assets at fair value through profit or loss	2,000,000	18,034	-	18,034	Note 2
	KTSS	-	Current financial assets at fair value through profit or loss	44.9214	1	-	1	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 "Financial Instruments".

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

2023

Table 2

Unit: Unless otherwise stated, in NT$ thousands.

Buyer (Seller)	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Purchase	$ 495,404	97	Note 1	-	Note 1	($ 267,822)	94	—
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Sales	(495,404)	48	Note 1	-	Note 1	267,822	59	—

Note 1: Payment terms are 150 days from the end of the month.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2023

Table 3

Unit: Unless otherwise stated, in NT$ thousands.

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	$267,822	1.95	$ -	—	96,306	$ -

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investees

2023

Table 4

Unit: Unless otherwise stated, in NT$ thousands.

Investor	Investee	Location	Main Business Activities	Initial investment amount		Holding at period end			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Remarks
				At the End of the Current Period	At the End of Last Year	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	$ 207,215	$ 207,215	18,600,000	100.00	$ 472,224	($ 47,211)	($ 47,211)	—
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,415	139	139	—
	J.H.V	3rd Floor, No. 87 89 Khuat Duy Tien Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	Manufacturing and trading of computer cables or plugs	3,159	-	-	100.00	2,768	(114)	(114)	—
	CHINTEK INC.	19F-6, No. 7, Sec. 3, New Taipei Boulevard, Xinzhuang District, New Taipei City	Manufacturing and trading of computer cables or plugs	98,000	-	1,600,000	100.00	89,604	(18,979)	(8,396)	Note 2
	CERMAX CO., LTD.	No. 36, Lane 816, Bo'ai Street, Zhubei City, Hsinchu County	Manufacturing and trading of computer cables or plugs	20,000	-	1,250,000	25.04	19,154	(13,234)	(846)	Note 2

Note 1: Please refer to Table 5 for information on investees in Mainland China.

Note 2: The investment loss recognized in the current year is recognized in accordance with the shareholding ratio from the date of acquisition.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Information on investment in mainland China

2023

Table 5

Unit: Unless otherwise stated, in NT$ thousands.

Investee	Main Business Activities	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Current Period	Net profit (loss) of the investee for the year ended December 31, 2021	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US$100,000	Direct investment with 100% ownership	$ 3,070 (US$ 100,000)	$ -	$ -	$ 3,070 (US$ 100,000)	$ 914	100.00%	$ 914	$ 78,917	$ 277,250	—
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	US$12,600,000	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	294,768 (US$9,600,000)	-	-	294,768 (US$9,600,000)	(50,656)	100.00%	(50,656)	572,693	-	Note 2
Chuzhou Dingwang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	(42,290)	39.00%	(16,873)	1,672	-	—

Accumulated Outward Remittance from Taiwan for Investment in Mainland China at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 297,838 (US$9,700,000)	$ 389,953 (US$12,700,000)	$ 526,951 (Note 3)

Note 1: The calculation is based on the spot exchange rate at the end of December 2023, except for the investee's profit and loss and investment profit and loss recognized in the current period, which are based on the average exchange rate from January 1 to December 31, 2023.

Note 2: For the investment losses of NT$50,656 thousand recognized in the current year, except for the investment losses of NT$20,504 thousand recognized by the Company based on 40.48% of the Company's shareholding, the remaining investment losses of NT$30,152 thousand were recognized through 100% owned subsidiary J.B.T subject to the shareholding of 59.52%.

Note 3: Calculated pursuant to Article 3 of “Principle of investment or Technical Cooperation in Mainland China”, MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Ji-Haw Industrial, Co., Ltd.

Information on major shareholders

December 31, 2023

Table 6

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
No data for this quarter	-	-

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the standalone financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

§TABLE OF CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS§

Ji-Haw Industrial, Co., Ltd.

Statement of cash

December 31, 2023

Table 1

Unit: thousands of New Taiwan Dollar unless otherwise specified

Name	Amount
Cash	
Cash on hand (note 1)	$ 805
Bank checking accounts	876
Demand deposits (note 2)	35,490
	$ 37,171

Note 1: The details of foreign currencies in cash on hand were as follows: (expressed in dollars)

Currency	Amount in foreign currency	Exchange Rate
JPY	$ 68,030	0.2186
USD	742	30.705
THB	12,084	0.9613
CNY	105,328	4.4714
MYR	780	8.5936
HKD	31,922	4.3212
SGD	2,240	23.2164
HUF	20,700	0.1631
PHP	715	1.0749
DKK	136	5.5351
SEK	292	4.2329
Germany	26	15.9657
CZK	1,100	1.4855
IDR	7,100,000	0.0028

Note 2: Including US$660 thousand, converted at the exchange rate of US$1=NT$30.705.

Ji-Haw Industrial, Co., Ltd.

Statement of accounts receivable

December 31, 2023

Table 2 Unit: NT$ thousand

Customer Name	Amount
CH416	$ 59,128
CH045	47,013
CH199	18,062
CH200	12,429
TA835	12,352
Others (note)	35,450
Total	184,434
Less: allowance	38
Net	$184,396

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.

Statement of inventories

December 31, 2023

Table 3 Unit: NT$ thousand

Name	Amount	
	Cost	Market price (Note 1)
Raw materials	$ 516	$ 69
Finished goods	70,206	67,594
Total	70,722	$ 67,663
Less: allowance (note 2)	10,493	
Net	$ 60,229	

Note 1: The net realizable value

Note 2: The allowance for loss on decline in value of inventory and slow-moving inventory

Ji-Haw Industrial, Co., Ltd.

Statement of changes in investments accounted for using equity method

December 31, 2023

Table 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

Name	Par value		Balance, beginning of year			Changes in the current period			Balance, end of year			Remarks
			No. of shares	Shareholding ratio (%)	Amount	Increase	Investment income (loss)	Exchange differences from the translation of financial statements of foreign operations	No. of shares	Shareholding ratio (%)	Amount	
Unlisted shares												
J.B.T	THB	10	18,600,000	100.00	$ 523,976	$ -	($ 47,211)	($ 4,541)	18,600,000	100.00	$ 472,224	-
J.H.P			-	100.00	256,234	-	(20,504)	(3,904)	-	100.00	231,826	Note 2
J.H.K			-	100.00	79,358	-	914	(1,355)	-	100.00	78,917	-
J.H.I	USD	1	300,000	100.00	4,277	-	139	(1)	300,000	100.00	4,415	-
J.H.V			-	-	-	3,159	(114)	(277)	-	100.00	2,768	Note 3
CHINTEK			-	-	-	98,000	(8,396)	-	1,600,000	100.00	89,604	Note 3
CERMAX			-	-	-	20,000	(846)	-	1,250,000	25.04	19,154	Note 4
					$ 863,845	$ 121,159	($ 76,018)	($ 10,078)			$ 898,908	

Note 1: The long-term investment has not been provided as collateral or pledged for the current period.

Note 2: For the investment losses of NT$50,656 thousand invested by J.H.P in the current year, except for the investment losses of NT$20,504 thousand recognized by the Company based on 40.48% of the Company's equivalent shareholding, the remaining investment losses of NT$30,152 thousand were recognized through 100% owned subsidiary J.B.T subject to the shareholding of 59.52%.

Note 3: The increase in current period is due to the new investment in subsidiaries.

Note 4: The increase in the current year is mainly due to the acquisition of long-term equity investment under equity method.

Ji-Haw Industrial, Co., Ltd.

Statement of short-term borrowings

December 31, 2023

Table 5 Unit: NT$ thousand

Type and debtor	Contract period	Interest rate (%)	Amount	Loan Commitment	Collateral
Mortgage loan Mega International Commercial Bank	2023.09.11~2024.09.10	1.99%	$ 300,000	$ 400,000	Property, plant and equipment and investment properties (at Baoxing Rd., Xindian Dist., New Taipei City)

Note: As of the end of 2023, the Company's unused short-term financing line amounted to NT$100,000 thousand.

Ji-Haw Industrial, Co., Ltd.

Statement of operating costs

2023

Table 6 Unit: NT$ thousand

Name	Amount
Cost of self-produced products	
Raw materials, beginning of the year	$ 3,954
Add: raw materials purchased	1,292
Less: raw materials, end of the year	516
Cost of raw materials sold	135
Recognized as expenses	19
Raw materials used	4,576
Manufacturing costs	4,576
Add: finished goods, beginning of the year	55,593
Add: Purchase of goods in the current period	519,036
Less: finished goods, end of the year	70,206
Cost of self-produced products	508,999
Cost of goods sold	
Raw materials sold as goods	135
Other operating costs	71
Write-down of inventories	2,835
Total operating costs	$ 512,040

Ji-Haw Industrial, Co., Ltd.

Statement of operating expenses

2023

Table 7 Unit: NT$ thousand

Item	Selling expenses	Administrative expenses	R&D expenses	Total
Salary expenses	$ 23,293	$ 43,562	$ 3,392	$ 70,247
Depreciation expenses	5,066	1,912	1,530	8,508
Insurance expenses	4,396	2,857	204	7,457
Others (note)	14,609	13,516	2,556	30,681
Subtotal	$ 47,364	$ 61,847	$ 7,682	116,893
Reversal of Impairment loss of expected credit loss				(8)
Total				$ 116,885

Note: The amount of items included in others does not exceed 5% of the account balance.

Ji-Haw Industrial, Co., Ltd.

Statement of employee benefits, depreciation expenses and amortization expenses by function

January 1 to December 31, 2023 and 2022

Table 8

Unit: NT$ thousand

	2023				2022			
	Classified as Operating Costs	Classified as Operating Expenses	Attributable to other gains and losses	Total	Classified as Operating Costs	Classified as Operating Expenses	Attributable to other gains and losses	Total
Employee benefits								
Salaries	$ -	$ 65,122	$ -	$ 65,122	$ -	$ 51,621	$ -	$ 51,621
Labor and health insurance	-	4,746	-	4,746	-	4,272	-	4,272
Pension	-	2,801	-	2,801	-	2,302	-	2,302
Remuneration to directors	-	2,324	-	2,324	-	465	-	465
Other employee benefit expenses	-	1,737	-	1,737	-	1,642	-	1,642
	$ -	$ 76,730	$ -	$ 76,730	$ -	$ 60,302	$ -	$ 60,302
Depreciation Expense	$ -	$ 7,195	$ 1,313	$ 8,508	$ -	$ 6,021	$ 1,317	$ 7,338
Amortization Expense	$ 71	$ -	$ -	$ 71	$ -	$ -	$ -	$ -

Note 1: This year and in the previous year, the Company had 66 and 62 employees, respectively, and among them, 0 and 2 directors did not serve concurrently as employees. The calculation basis was the same as that used for the employee benefits.

Note 2: (1) The average employee benefits expense for the current year was NT$1,127 thousand, compared to NT$997 thousand in the previous year.

(2) The average employee salary expense for the current year was NT$987 thousand, compared to NT$860 thousand in the previous year.

(3) The change in average employee salary adjustment was 14.65%.

(4) The remuneration to the Audit Committee for the current year was NT$1,144 thousand, compared to NT$180 thousand in the previous year.

(5) Remuneration policy (including directors, managers and employees):

Remuneration to directors and supervisors: remuneration is appropriated according to the Articles of Incorporation, regulated by the Remuneration Committee, resolved by the Board of Directors and distributed after passed by the shareholders' meeting.

Compensation to the management and employees: compensation standards are formulated based on their duties, education, professional skills. Salary adjustment and bonus distribution are made depending on the Company's operation, employees' performance, etc. The compensation to the management is resolved by the Remuneration Committee and passed by the Board of Directors.

Ji-Haw Industrial, Co., Ltd.

Chairman: Shih Hao-Ji