Stock code:3024

Action Electronics Co., LTD.

2023 Annual Report

Notice to readers

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

Annual Report is available at: http://mops.twse.com.tw

Corporate website: //www.action.com.tw

Printed on：May 10, 2024

Spokesperson：

Name: Peng Ting-Yu

Title：Chair man

Deputy Spokesperson：May Huang

Title：Senior Manager

Tel：03-4515494

Email： may_huang@action.com.tw

Headquarters

Address : No.198, Zhongyuan Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)

Mail Address: 4F.,NO. 423-7, Jhengguang Rd., Taoyuan Dist., Taouan City 330, Taiwan (R.O.C.)

Tel : 03-4515494

Stock Transfer Agent：

Name: Stock Agency Department of Yuanta Securities Corp.

Add：B1, No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City 103432 , Taiwan (R.O.C.)

Tel: 02-2586-5859

Website: www.yuanta.com.tw

Auditors：

Auditors: Lin Yahui and Wu Hanqi

Accounting Firm:：PricewaterhouseCoopers, Taiwan

Add: 11012 No. 333, Section 1, Keelung Road, Xinyi District, Taipei City Taiwan (R.O.C.)

Tel: 02-27296666

Website: www.pwc.com

Overseas Securities Exchange: Not applicable

Corporate Website：//www.action.com.tw

Contents

I. Letter to Shareholders

1-1 2023 Annual Group Business Report 1
1-2 2024 Operation Plan 2
1-3 Future development strategy 3
1-4 Affected by external competition, regulatory environment and overall business environment 3

II. Company Profile

2.1 Company Profile 5

III. Corporate Governance Report

3-1 Organization 9
3-2 Directors, Supervisors and Management Team 12
3-3 Remuneration paid to directors, Supervisors, general managers and deputy general managers in the most recent year 23
3-4 Implementation of Corporate Governance 31
3-5 Accountant Fees 64
3-6 Change of Accountants 64
3-7 The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Firm of the Auditing CPA or Its Affiliated Businesses in the Past Year 64
3-8 Particulars about Changes in Shareholding and Equity Pledge of Directors, Supervisors,Managers and Shareholders Holding More Than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report 64
3-9 Information about the top 10 sharehoholders who are interested parties 65
3-10 The number of shares held by the company, company directors, supervisors, managers, and businesses directly or indirectly controlled by the company in the same reinvested business, and combined to calculate the total shareholding ratio 67

IV. Capital Overview

4-1 Capital and Shares 69
4-2 Corporate Bonds 77
4-3 Preferred Shares 77
4-4 Overseas Depositary Receipts 78
4-5 Employee Stock Options 78
4-6 Status of New Shares Issuance in Connection with Mergers and Acquisitions 78
4-7 Financing Plans and Implementation 78

V. Operational Highlights

5-1 Business Activities 79

5-2 Market and Sales Overview 82
5-3 Employee Information for the Past Two Years 87
5-4 Environmental Protection Expenditure 87
5-5 Labor Relations 87
5-6 Information security management 89
5-7 Important Contracts 90
VI. Financial Information
6-1 Five-Year Financial Summary 91
6-2 Five-Year Financial Analysis 96
6-3 Supervisors' or Audit Committee's Report in the Most Recent Year 100
6-4 Latest Consolidated Financial Statements Audited and Certified by CPAs 100
6-5 Latest Individual financial statements Audited and Certified by CPAs 100
6-6 If the Company and Its Affiliates Encounter Any Financial Difficulties in the Past Year and as of the Date of Publication of the Annual Report, the Impact on the Company's Financial Status Shall Be Listed 100
VII. Review of Financial Conditions, Operating Results, and Risk Management
7-1 Analysis of Financial Status 101
7-2 Analysis of Operation Results 102
7-3 Analysis of Cash Flow 102
7-4 Impact of Major Capital Expenditure in the Past Year on the Financial Status 103
7-5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year 103
7-6 Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report 104
7-7 Other important matters 107
VIII. Special Disclosure
8-1 Summary of Affiliated Companies 108
8-2 Private Placement Securities in the Most Recent Years and as of the Date of Publication of the Annual Report 112
8-3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years and as of the Date of Publication of the Annual Report 112
8-4 Other Necessary Supplementary Notes 112
IX. Matters Which Have a Substantial Impact on Owner's Equity 112
Appendix A: Consolidated Financial Report and Audit Report of Independent Accountants in 2023
Appendix B: Individual Financial Report and Audit Report of Independent Accountants in 2023

I、Letter to Shareholders:

Dear shareholders:

We extend our sincere appreciation to all the shareholders who attended our 2024 Annual Shareholders' Meeting and for your unwavering support and encouragement throughout the years.

Looking back on 2023, despite the unfavorable impacts of the U.S.-China confrontation, high inflation, and high-interest rates due to the war, our company experienced a slight 3% increase in revenue compared to the previous year. Among them, the home appliance market was still flat after the epidemic dividend receded after the unsealing and under the multiple pressures of inflationary pressure and slowing consumer demand. In automotive electronics, revenue grew marginally by 3%, benefiting from the growth in customer sales. In terms of asset revitalization, the Shanghai logistics warehouse continues to be stable with an occupancy rate of more than 90%, while the Zhongli Action Intelligence Science and Technology Park is also moving towards its goal of combining smart and green buildings to create a benchmark building in the Zhongli Industrial Park.

Smart home appliances, ESG and digital transformation are the most important trends for future development, and we will continue to work hard to build energy-efficient, intelligent and healthier products, and to provide consumers with more convenient and affordable products and experiences.

To strengthen its competitive edge, Memory has invested a lot of resources in "upgrading" its home appliance products so that users can easily control them remotely through cell phones, tablets, and other apps, in order to provide consumers with a more convenient life. In addition, we have also strengthened the research and development of electronic products for transportation equipment, market utilization and revitalization of land assets, so that our Company can grow steadily and positively in spite of the changing external environment, with a view to rewarding shareholders for their support. The management results of 2023 and prospects for 2024 are reported as follows:

I、2023 Group Business Report

1.Operating income and expenditure and the implementation results of business plan: The consolidated net operating income for the group was NT$1,526,678,000 in 2023, which represents a 3% increase compared to NT$1,486,401,000 in 2022. For the year ended December 31, 2023, the consolidated net income from operations was NT$106,197,000 and the consolidated net income after tax was NT$108,993,000.

Consolidated P&L Statement

Unit: In NTD Thousand

Item	2023	2022
Operating revenues	1,526,678	1,486,401
Operating costs	1,103,735	1,095,637
Gross profit	422,943	390,764
Operating expenses	316,746	335,973
Net operating income(loss)	106,197	54,791
Income before tax	150,184	109,012
Income after tax	108,993	91,774

Net income attributable to stakeholders of the parent	108,993	91,774

2. Financial Structure Ratio Analysis

Item			2023	2022
Capital Structure Analysis(%)	Debt Ratio		45.46%	38.79%
	Long-term funds to Fixed Assets		2,802.43%	1,922.28%
Liquidity Analysis(%)	Current Ratio		144.00%	156.53%
	Quick Ratio		66.57%	74.75%
	Interest Coverage Times		14.80	11.05
Return on Investment Analysis (%)	Return on Total Assets		2.41%	2.24%
	Return on Total Equity		3.86%	3.24%
	Percentage of paid-in capital	Operating Interests	3.83%	1.98%
		Income before tax	5.42%	3.93%
	Net Profit Margin		7.14%	6.17%
	Earnings (loss) per share after tax		0.39 元	0.33 元

II、 2024BusinessPlan

1. Strategic guidelines and business strategies: Continuously reinforcing the policies of emphasizing profitability, restructuring, revitalization of assets, and rationalization of stock price.

(1)Profitability: improve and create. Evaluate nine index of operating performance on a monthly assist to achieve the target of return on capital and the four-satisfying missions.

(2)Structure adjustment: emphasis on “professional, simple, and profitable” and build up core competitiveness. Integrate group resources and provide priority to those with SMART strategy.

(3)Activation of assets: the integration of existing tangible (intangible) assets, Cooperative development, creating value, and sharing benefits.

(4)Stock price rationalization: starting from the fundamentals, make the stock price at least reach the net value per share, and benefit the interests of shareholders.

2.Products and business: The main businesses of the Company and its subsidiaries include sales, maintenance, installation, and servicing of electrical home appliances; the manufacturing, processing, and trading of automotive electronic products; warehousing and logistics services; as well as real estate sales and leasing.

The operation is divided into three business systems, and the product development and market development strategies are described as follows:

(1)Brand Management and Service Business Operation System: The product development strategy aims to provide consumers with reliable and affordable products and services for a healthy and simple life. Intelligent technology is applied to improve the usability of products and enhance the timeliness of customer service (intelligent ecosystem). The marketing strategy continues to focus on "Discovering and enjoying the beauty of Taiwan," utilizing products, logistics, and after-sales services to enhance brand value and customer loyalty. The focus is on improving customer satisfaction with after-sales service and logistics to enhance the overall effectiveness of quality and service.

(2)Automotive Electronics Manufacturing Business Ecosystem: Product development is applied to technologies such as imaging, sensors, smart cabins, and remote control, enabling transportation equipment to operate more efficiently, providing safer and more convenient services, and bringing more opportunities for intelligence and digitization to the

transportation industry. In terms of market development, focusing on the six core values, we concentrate on serving the North American and Middle Eastern markets, cultivating passionate and trustworthy bilateral relationships, and providing products of stable quality and high reliability. We continuously enhance our R&D capabilities and new product development, as well as introduce new customers and new markets, and deepen long-term cooperation with existing customers to increase orders.

(3)Asset Activation Business System: The Shanghai subsidiary provides international- standard warehouse facilities and high-quality environments, achieving a high rental rate and stable profitability for the group. The former location of the Action Group headquarters is being planned for the construction of two new state-of-the-art factory- office buildings, creating a renowned technology forest park and smart green architecture. This initiative aims to establish a high-quality brand image for subsidiary companies and contribute to the expected growth momentum of the overall operation.

III、The Group’s future development strategy

1. Brand Management: continuously provide trustworthy and affordable goods and services to our customers, applying intelligent technology to make our products work better and our services more timely, so as to make life better. To provide consumers with a better experience through our products, logistics and after-sales services. In terms of products, through the combination of hardware interoperability and cloud interoperability to create a smart home appliance ecosystem where smart devices are interconnected and interoperable, the future of home appliances will fully enter the era of smart, energy-saving, so that people's lives become more convenient, comfortable and healthy.
2. Automotive electronics: With the development of transportation equipment towards intelligence and autonomy, as well as the emphasis on personalized services, passenger experience and environmental protection, we will continue to innovate and utilize technologies such as imaging, sensors, intelligent cockpit and remote control, and will work closely with our customers to develop safer, more convenient, intelligent and environmentally friendly transportation services to meet the ever-changing market demands and customer expectations.
3. Asset Revitalization: The planned "Action intelligence Science and Technology Park" in Zhongli, Taoyuan, will be the first world-class innovative 5G technology park and is working towards the Smart Green Building double standard certification for industrial and commercial office buildings. Unlike other traditional construction companies, the new design is more in line with the needs of the next-generation emerging technology industry, and the "smart green building" created by "Smart Creation" creates a new international facade and aims to create a landmark and architectural icon in the region.
4. Digital transformation and ESG implementation: Continuous optimization of information systems and digitization of processes to enhance efficiency. In addition, environmental protection, social responsibility and corporate governance standards will be strengthened.

Looking ahead, we will continue to focus on the integration of resources from the Group's three major systems to strengthen the quality of our operations and enhance our brand competitiveness. In terms of management, we will emphasize on the introduction and cultivation of talents to continue to create the Group's corporate culture and values, and to implement sustainable business operations.

IV、Facing the influence of external competition, regulatory environment, and overall business environment

1. External environment: In the midst of a rapidly changing environment, despite the impact of

the U.S.-China confrontation, the impact of the war, which led to high inflation and high interest rates and other unfavorable factors, the Company still adheres to the business strategy of "professionalism, simplicity, and profitability" and concentrates on the development of industries related to the industry, and strives to flatten its organization, strengthen its speed, and rapidly meet the market demand, and utilize its "expertise" and "simplicity" to focus its resources on the advantageous markets and existing customers. We utilize "professionalism" and "simplicity" to focus our resources on favorable markets and existing customers, creating value and pursuing profits.

2. Regulatory Environment: In response to the government's consumer stimulus policies, we offer high-quality products at discounted prices to increase consumer willingness to purchase and stimulate domestic economic consumption. We align with government industrial policies and support the three-dimensional development plan for industrial zones. The establishment of the Zhongli Action intelligence Science and Technology Park serves as a transformation demonstration and landmark for the Zhongli Industrial Zone. Additionally, we emphasize environmental protection, social responsibility, and corporate governance.
3. Overall Business Environment:

(1) Despite the slowdown in economic growth due to unfavorable factors such as the U.S.-China confrontation, high inflation and high interest rates due to the impact of the war, the Company continued to accept the challenges and face them proactively, advancing toward its annual business goals and promoting digital transformation, developing new products and deepening customer relationships in order to create excellent results.

(2) Our three major operational focuses are the home appliance industry under the Kolin brand, automotive electronics, and asset activation. In the home appliance industry, we provide consumers with simple, user-friendly, and enjoyable products. With our experience in OEM collaboration with major international manufacturers and the presence of production bases in Malaysia, our automotive electronics products have a niche market with a longer product cycle, giving us a competitive advantage amid ongoing trade tensions between China and the US. We continue to activate assets, including the establishment of modern warehousing services in Shanghai, ownership of land in the Shenzhen Greater Bay Area near the airport, and the development of the Zhongli headquarters into the Action intelligence Science and Technology Park.

President: Peng Ting-Yu

Manager: Peng Hsiu-Yun
Chief Accountant: May_Huang

Ⅱ、Company Profile

2-1、An Introduction to the Company

(1) Date of Establishment：July 21, 1976

Address&Telephone of Headquarter

Address: No.198 Zhongyuan Rd.,Zhongli Dist, Taoyuan City, Taiwan R.O.C

Telephone：(03)451-5494

(2) Company History

1976: Officially founded with the approval of the Ministry of Economic Affairs, with a capital of 2.5 million.
The clock radio ACN-001 was successfully developed, and the first batch of 10,000 units was produced and exported to Australia.

1977: The shareholders' meeting approved an increase in capital to NT$5 million.
The company’s spirit is promulgated as: sincerity, harmony, aggresive, action, and innovation.

1978: Purchased the Taipei office, located in Huibao Building, Section 1, Keelung Road.
Increased capital to NT$7.5 million.

1979: The first factory (the film and television factory) was established, with an area of 1009 square meters.
The shareholders' meeting approved a capital increase of NT$4.5 million, and the capital amounted to NT$12 million.

1980: The capital increase reached NT$18 million.
The bonded factory was approved for establishment in December and took over at the end of the year.

1981: The capital increased to NT$28 million.
Develop a portable audio device, and make the product level enter another field.

1982: The capital increased to NT$45 million.
Purchased 2 units of automatic board plug-in machines is the beginning of automation.
Accepting Telefunken’s commission to produce high-end audio products to enhance the company’s quality image.

1983: Developed multifunctional wireless telephones.

1984: Increased capital to NT$60 million.
Vigorously expand domestic sales and actively establish its own brand.

1985: Leading the successful development of dual-cassette audio.
The successful development of the world's smallest three-in-one (radio, recording, TV) is the beginning of our company's involvement in TV production and sales.

1986: The capital increased to NT$80 million.
Mini TVs are extremely popular, and they have successfully entered the American market and as well as the Europe.

1987: Increased capital to NT$134 million.
Black-and-white TV shines in the European market.
Successfully developed a 6-inch small color TV.
Purchased 11,086 square meters of land in Zhongli Industrial Zone, and moved the Taipei office to the office which is located in the 6th and 7th floors of No. 67 Minquan East Road immediately.

1988: Increased capital to 184 million.
Reinvested in Malaysia and established ACTION INDUSTRIES (M) SDN. BHD.
Established a new factory (information factory) on the newly purchased land in Zhongli Industrial Zone, and used it as the head office to produce information products, while the old factory (film and television factory) mainly produced film and television products.
Purchased SMT surface bonding machine to produce high-precision, slim and short products.

1989: Reinvested in Malaysia and established Action Asia Holdings (Ma) Co., Ltd. to engage in the development of industrial parks.
Accept SONY commission to produce 100,000 mini TV radios.
Successfully developed 8mmVCR color TV combination.
Purchased the 4th floor office building at No. 67 Minquan East Road.

1990: Increased capital to NT$350 million for IPO.
Successfully developed a 14-inch Super VGA color computer monitor.
Leading the development and production of portable color TV player combinations, and successfully were sale worldwide.

1991: Revenue grew substantially to NT$1.8 billion, breaking the record over past 15 years.
Leading the development of a 10-inch color computer monitor.
1992: Revenue growth has reached NT$2.19 billion.
Reinvested USD 800,000 in Action American Co., Ltd.
Developed a 10-inch Super VGA color computer monitor.
1993: Completed development of 4-inch LCD TV and 15-inch and 17-inch color computer monitors.
Reinvested in ASD Electronics Limited (Group) Co., Ltd in Hong Kong. and entrusted the company to indirectly invest in Action Asia (Shenzhen) Co., Ltd.
Increased investment in the capital of American Action Limited Co., Ltd. and make shareholding up to 100%.
Revenue broke record and reached NT$2.5 billion.
The earnings and public reserves were transferred to increase capital, and the capital amounted to NT$504.03 million.
The film and television studio was awarded the ISO 9002 certification registration.
1994: The earnings and public reserves were transferred to increase capital, and the capital reached to NT$583 million.
Obtained subsidies from the Ministry of Economic Affairs to develop new products to improve technology level.
Completed development of 6-inch LCD TV.
1995: The earnings and public reserve were transferred to increase capital, and the capital reached to NT$599.907 million.
Moved the Taipei office to the Zhongli head office to improve efficiency and reduce costs.
Establish an operating committee, composed of major cadres, and achieve the planned goals by the consensus of the team.
1996: The earnings were transferred to increase capital, and the capital reached to NT$629.902 million.
The reorganization of the film and television factory mainly focuses on optoelectronic products, with research, production and sales functions, and officially changed its name as Optoelectronic Plant.
Information Factory was awarded ISO-9002 certification.
The optoelectronic plant successfully developed the Japanese market and cooperated with TWINBIRD company in LCD TV series products.
1997: The earnings were transferred to increase capital, and the capital reached to NT$709.330 million.
Established marketing bases in Europe and the United States one after another. The German Action Technology Company, the British Action Technology Company and the American Action Technology Company successfully established marketing channels based on their own brands.
Optoelectronic products have been developed successfully over past five years, with good performance both in revenue and profit, and become the company's most prospective product series.
1998: The company's application for stock trading to Taipei Exchange, (Referred to as TPEx) was approved, and it was officially listed for trading on May 26.
Cash capital increase and earnings were transferred to increase capital, and the capital reached to NT$1.07 billion.
1999: The Optoelectronics Division passed ISO-14001 certification.
The earnings were transferred to increase capital, and the capital reached to NT$1.167 billion.
ACTION TECHNOLOGY (Shanghai) CO.,LTD was integrated with factory and office, and the new building was completed and officially opened.
ACTION TECHNOLOGY (Shanghai) CO.,LTD passed ISO-9002 certification.
2000: The earnings were transferred to increase capital, and the capital reached to NT$1.352 billion.
ACTION TECHNOLOGY (Shanghai) CO.,LTD increased its capital to US$6 million and was awarded the Shanghai High-tech Enterprise Certification.
The Malaysian factory has passed the QS9000 international certification.
2001: The earnings were transferred to increase capital, and the capital reached to NT$1.461 billion.
Action Asia (Shenzhen) Co., Ltd. won the Shenzhen Science and Technology Top 100 Award.
The company’s chairman was awarded the DSPN Datuk by the head of state of Penang, Malaysia.
Cooperated with Japan's AKAI company to produce electronic music recording equipment.
2002: The application for stock trading to Taipei Exchange, (Referred to as TPEx) was successfully approved and transferred to IPO.
Action Asia (Shenzhen) Co., Ltd. reached a record of USD 10 million in monthly turnover for three consecutive months.
2003: The Group's production and sales value exceeded NT$10 billion (equivalent to US$300 million), and its profit also broke record and reached a new high.

Celebrated the 15th anniversary of reinvested in Action Asia (Malaysia) Limited Company and successfully approved of listing in Singapore stock market.
Action Asia (Shenzhen) Co., Ltd. has cooperated with China National Nuclear Corporation on joint production for ten years, and then moved to Baoan in July, and established Action Asia (Shenzhen) Co., Ltd. to expand operations.
Issued NT$800 million of convertible corporate bonds.

2004: Issued USD 35 million of overseas convertible corporate bonds.
Established Taiwan operations headquarters and officially opened.
Action Asia Holdings Company which was reinvested in Action Asia (Malaysia) Co, Ltd., was officially IPO on the Singapore stock market.
Ranked No.47 among the Top 50 Operating Performance by Common Wealth Magazine.

2005: Group revenue reached NT$17.5 billion and profit was NT$940 million.
Imported ERP system operation.
The Cultural Relics Museum of Action Electronics Co., LTD was established. and ranked No.22 among the top 50 fastest growing enterprise by Common Wealth Magazine.

2006: Celebrated the 30th anniversary of Action Electronics Co., LTD., cherish what we have and progress with the times.
Continuously developed new products and launched into the market.
Ranked No. 188. among the top 1000 manufacturing industries by Common Wealth Magazine.

2007: Ranked No.171 among the Top 300 groups in terms of net revenue.
Won the BBY Annual Outstanding Supplier Award.
Invested in the construction of a factory in Ji'an City, Jiangxi Province.

2008: Completed the factory construction of ACTION TECHNOLOGY (Ji'an) CO.,LTD in Ji'an City, Jiangxi Province and then began production and sales.
Developed new DPF_PCR products to sell into the market.
Ranked No.241 among the Top 1000 Manufacturing Industries by Common Wealth Magazine.

2009: Invested in 3C chain store operation including Zhen Kuang and Taiwan's Best Denki Co., Ltd., to enter the 3C channel.
Construct a domestic market in Mainland China.
Transformed as a technology service industry.

2010: Celebrated the 5th anniversary of ACTION ASIA (SHENZHEN) CO., LTD. moves to a new factory as moving forward into a new milestone.
Ranked No.243 among the Top 1000 Manufacturing Industries by Common Wealth Magazine.
ACTION ASIA (SHENZHEN) CO., LTD. invested DEDE TECHNOLOGY (SHENZHEN) CO., LTD

2011: Celebrated the 35th anniversary of Action Electronics Co., LTD., aimed to change the channel and becoming the BEST.
Launched a tablet dictionary of "Chinese Language and Culture Learning".

2012: Acquired the Japanese shareholding of Best Electric Distribution Company to dominate the operation, and tendered to merger the Kolin brand and the after-sales service maintenance company (Realise Tech-Service Co., Ltd) to establish a one-stop service in Taiwan's technology industry.

2013: SHANGHAI ACTION TECH CO., LTD(馬新憶) transformed service as a warehousing industry to meet the mainland's warehousing needs; ACTION TECHNOLOGY (Shanghai) CO.,LTD(上海華憶科技) was renamed as ACTION COMMERCIAL AND TRADING (SHANGHAI)CO.,LTD(上海憶歌商貿) to operate online sales and entered the mainland market with the brand Kolin, and launched new products into the third biggest major online shopping platforms "Yixun.com".

2014: The company won the 8th year of Taoyuan County Outstanding Enterprise Excellence Award.
Best Electric Co., Ltd. won the champion of B Group of Energy-saving Products Promotion and Energy-saving Performance Manufacturers.

2015: ACTION ASIA LIMITEDwithdrew from the Singapore stock market.

2016: Focus on profitability, adjust structure, activate assets, and strive to rationalize the stock price. The implementation of the mid-term business strategy has worked out and eventually ended five years of losses, the business switch has been successful, and the stock price has reached the level of net value per share by the end of the year.

2017: On December 25, the board of directors of the subsidiary company, Best Electric Co., Ltd., made resolution to end up the operation.
The Kolin brand has established a strategic partnership with Taiwan Heavy Industry Mitsubishi Group.
ACTION ASIA (SHENZHEN) CO., LTD. restarted the manufacturing of in-vehicle multimedia audio-visual products.

2018: ACTION ASIA (SHENZHEN) CO., LTD. established the R&D team of ACTION INTELLIGENT (SHENZHEN)

VO.,LTD.

Acquired 51% shares of Chongqing Zhiqixin Electronic Technology Development Co., Ltd.

Taiwan Headquarters cooperated with the Land Development Board of Directors to approve the establishment of "ACTION ASIA DEVELOPMENT CO., LTD."

2019: ACTION ASIA DEVELOPMENT CO., LTD. held the groundbreaking ceremony of " ACTION ASIA SCIENCE & TECHNOLOGY PARK" on December 8th, Taoyuan Zhongli headquarters activated construction of Industry 4.0 industrial park.

ACTION ASIA (SHENZHEN) CO., LTD. won the 2019 Outstanding Mainland Taiwanese Businessmen Award.

2020: Officially launched AIOT smart home appliances, leading the industry in launching voice-activated smart coffee machines.

2021: Sale of 100% equity transfer of Action Technology(Jian) Co., Ltd.

Dispose of 51% equity of ATZ Electronic Co., Ltd.

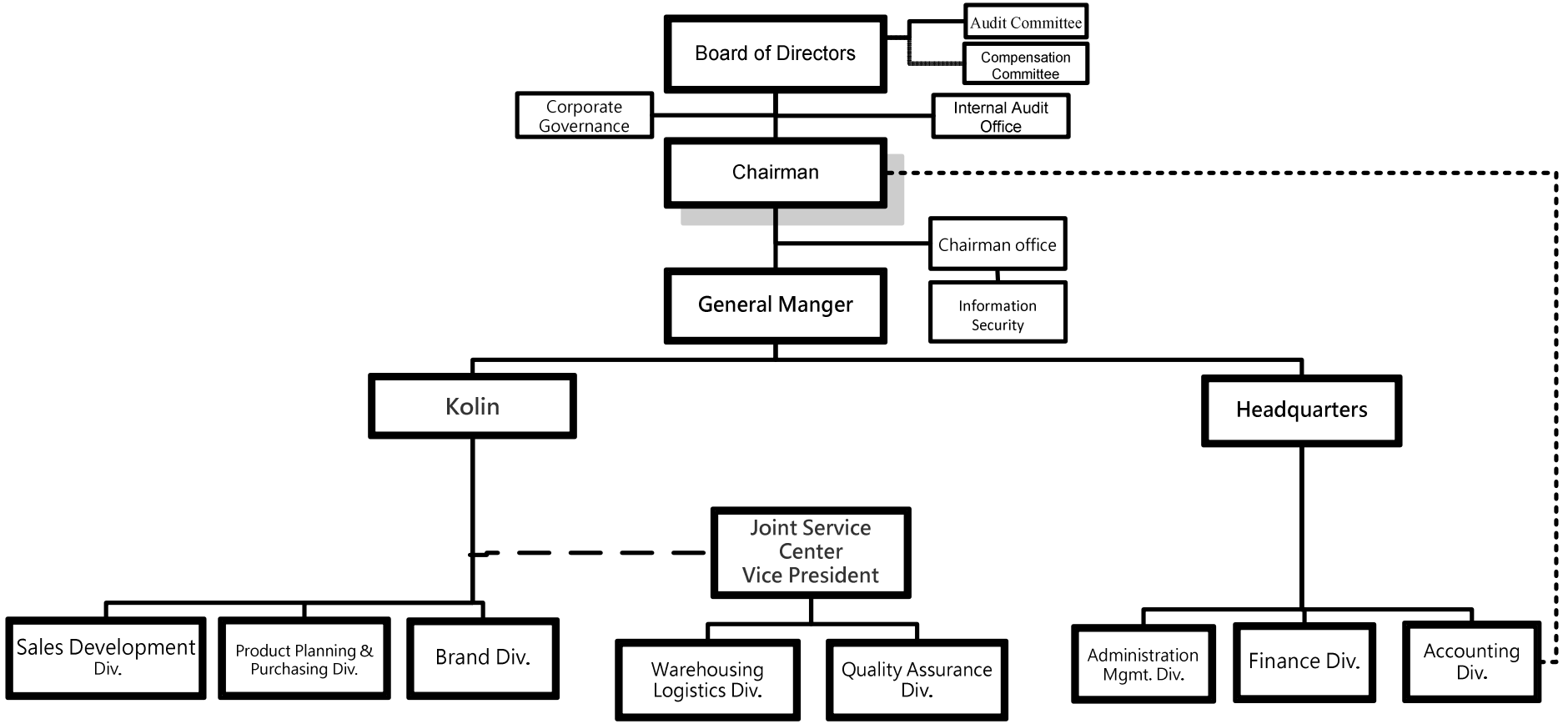
2022:In response to the construction of the Industrial 4.0 Industrial Park at the Zhongli Factory of Echo Group's headquarters, the headquarters office was temporarily relocated to Chaoyang CBD Economic and Trade Center, Taoyuan City.

2023: The second phase of "Action Electronics Co., LTD" starts.

Ⅲ、Corporate Goverance Report

3-1, (1). Company Organization System

2024 ACTION Organization



3-1-2、 Each division's major task：

Division	Organization function
Corporate Governance Unit	1.Handle corporate governance-related matters in accordance with the law 2. Protect the rights and interests of shareholders 3. Strengthen the responsibilities of the board of directors
Audit Division	1. Implementation and management of group audit plan. 2. Corporate governance and compliance with, laws and regulations. 3. Internal control and audit.
Chairman of the board	1. Promote the achievement of the annual plan goals of each company in the group 2. Resource integration and promotion of big data analysis applications 3. Company image and its (agent) brand development strategy and management 4. Four development, newborn and major project planning and promotion 5. Group major risk control 6. Commodity procurement (supply) management 7. Information system construction, maintenance and management.
Information Security	1.To handle information security related operations in accordance with the law. 2.Perform information security management and control. 3.Maintain the security of sensitive data.
Accounting Division	1. Self-compiled financial reports and other accounting affairs operations and abnormal analysis prompts. 2. Manage the accounting system of the group and supervise the accounting work of each company. 3. The group re-announces legal compliance and stock affairs management. 4. Subsidiary relationship enterprise management.
Financial Division	1. Fund scheduling, raising and effective use. 2. Manage customer loan risk. 3. Control foreign exchange risk.
Management Division	1. Inheritance of corporate culture and maintenance of rules and regulations. 2. Human resources and education training. 3. Environmental safety and health and asset management. 4. Legal risk prevention, patent and intellectual property rights maintenance. 5. Maintenance and operation of local public relations.
Sales I、II、III Division	1. Competitive product intelligence collection in the same industry. 2. Achievement of revenue target and accounts receivable. 3. Channel development and customer relationship maintenance. 4. Sales and demand plan management on customer.
Brand Office	1. Brand and product promotion and corporate integrated marketing promotion 2. Media relationship maintenance and press release 3. Cross-industry cooperation management.
Commodity Office	1.Intelligence collection and tactical planning of competing products in the same industry 2. Commodity filing and material number review 3. Commodity marketing strategy and pricing strategy drafting 4. Formulation and management of commodity coding standards.

Division	Organization function
Logistics Management Department	1. Warehousing logistics operation management 2. Co-organize inventory control and refurbishment of welfare products 3. Handling of returned goods during the virtual channel appreciation period 4. Shipment operation and review, account debt management 5. Calculation of business and distribution rewards 6. Abnormal tracking of commodity purchase, sale and inventory
Quality Assurance Division	1. Supplier evaluation and product quality assurance. 2. Application for various safety regulations for commodities. 3. Aftermarket quality inspection and random inspection. 4. Customer complaints and after-sales quality tracking and improvement. 5. Correction and remedial measures for major quality problems.
Manufacturing Division	1. Product assembly, testing and adjustment. 2. Improve the production process and technology. 3. Control the process to ensure product delivery and quality.

3-2. Information Regarding Directors, Supervisors and Management Team

3-2-1Directors

2024/4/16

Unit：Share；%

Title (Note1)	Nationality / Place of Incorporation	Name	Gender /Age (Note 2)	Date Eof assignment	Office Term	Date First Elected(Note3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）（Note 4）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note 5)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Peng Ting-Yu	F (51~60)	1090615	3 years	880614	4,045,451	1.26	4,331,983	1.56	—	—	—	—	1. Master of Business Administration, University of Southern California, U.S.A. 2.President of Action Electronics Co.,Ltd 3.Consultant of TEEMA 4.Director, Next Generation Charity Association	1.Chairman of Action Electronics Co., LTD 2. Chairman of Action Industries (M) SDN BHD. 3.Director of Action Asia (Shenzhen)Co.,Ltd 4.Director of Realise Tech-Service Co.,Ltd 5.Director of Director of Shanghai Action Technology CO.,LTD 6. Legal person director representative “Clientron Corp”.	Director	Peng Chiun-Ping	Father and Daughter	None
Director	ROC	Peng Chiun-Ping	Male (81-90)	1090615	3 years	651217	17,798,895	5.53	20,683,303	7.46	5,187,000	1.87	—	—	Tamkang University 1.Bank of Communications 2.National Taxation Bureau of Taipei 3.Chairman of Action Electronic Co.,Ltd	1.President of Action Electronics Co.,Ltd 2.Chairman of Shanghai Action Technology CO.,LTD 3.Chairman of Far Year Construction CO.,LTD 4.Chairman of Almond Garden Corp. 5. Director of Action Industries (M) SDN.BHD 6. Director of Action Asia (Shenzhen)Co.,Ltd	Director	Peng Ting-Yu	Father and Daughter	None
Director	ROC	Liu Chiu-Chi	Male (71-80)	1090615	3 years	1000624	2,098,249	0.76	5,101,000	1.84	0	—	—	—	Cheng-kung Senior Industial Commercial Vocational School 1.Chairman of ING-KER Tech Ltd	1.Chairman of ING-KER Tech Ltd 2. Director of Realise Tech-Service Co.,Ltd 3. Supervisor of Action Asia(Shenzhen)Co.,Ltd	None	None	None	None
Director	ROC	Chao Teng-Pang	M (71-80)	1090615	3 years	880614	1,357,820	0.44	1,442,820	0.52	0	—	—	—	Tamkang University 1. Chairman of Action Electronic Co.,Ltd 2.Chairman of America Action Inc. 3. Santron Electronic Co.,Ltd 4. Chairman of Far Year Technology	1. Chairman of Realise Tech-Service Co.,Ltd 2. Director of Far Year Construction CO.,LTD 3. Director of Action Asia (Shenzhen)Co.,Ltd 4. Director of Action Industries (M) SDN.BH. 5. Director of Almond Garden Corp. 6. Supervisor of Dede Technology (Shenzhen) Co., Ltd	None	None	None	None
Director	ROC	Wen Yu Mei	F (61-70)	1090615	3 years	1090615	2,261,000	0.82	2,256,000	0.81	0	—	—	—	1.MBA NCCU 2.National Taipei College of business 3.Senior Manager of First Securities Inc. 4.Finance Manager of Taoyou Securities Inc	1. Chairman of You Yuan Lai Investment Ltd. 2. Director of Action Asia (Shenzhen)Co.,Ltd 3.Director of Dede Technology (Shenzhen) CO., LTD 4. Director Of Far Year Construction CO.,LTD	None	None	None	None

Director	ROC	Peng Hsiu-Yun	F (61-70)	1090615	3 years	10906154	1,120,000	0.40	1,120,000	0.40	170,158	0.06	—	—	*BusinessManagement Pacific Western University 1.Director of Shanghai Taiwan Compatriots Association, Vice Chairman of Jiading District 2.Director of Shanghai Taiwan Compatriots Association, President of Jiading District Women's Federation	1. Director and General manager of Shanghai Action Technology CO.,LTD 2. General manager of Action Electronics Co., LTD 3.. Director of Action Asia (Shenzhen) CO., LTD.	None	None	None	None
Director	ROC	Yeh Li-Wei	Male (41-50)	20230626	three year	20230626	2,000,000	0.72	2,000,000	0.72	79,825	0.03	—	—	M.S., Graduate School of Optoelectronics, National Central University 1.Project Manager, Product Engineering Division, Nanya Technology 2.Marketing Department Project Manager, Nanya Technology	1.Product Manager of Action Electronics Co., LTD 2. Head of R&D, Action ASIA (SHENZHEN) Co., Ltd.	None	None	None	None
Director	ROC	Shin Chuan Yuan Investment Co.,Ltd		1090615	3 years	109061 5	1,000,000	0.36	1,000,000	0.36	—	—	—	—	—					
		Representive: Tsai Jin wan	M (51-60)	1090615	3 years	109061 5	0	0.00	0	0.00	—	—	—	—	Department of uiness Management of Saginaw Valley State University 1.Lecturer of National Open University 2.Director of Sanyo Whisbih Group Education Foundation 3.Chairman of Baoshan Guandi Temple, New Taipei City	1General manager Of Far Year Construction CO.,LTD 2.Chairman of Action Electronics Co., LTD 3. Director of Dede Technology (Shenzhen) CO., LTD. 4.Taoyuan City Government Municipal Advisor 5.Consultant of Taiwan Science Park Science Industry Association	None	None	None	None
Independent Director	ROC	Tang Peng-Chin	Male (51-60)	1090615	3 years	109091 5	—	—	—	—	—	—	—	—	*National Chung Hsing University,Accounting Dept. *CPA 1. Accountant of Jian Yang United Accounting Firm. 2.Tongxie Electronic Audit Manager and Spokesperson	1. Chairman of TransGlobe capital management Ltd.(TGCM). 2. Independent Director of KINGZA International CO., LTD. Ltd 3. Director of 渴樂園有限公司, a company operating Dante Coffee.	None	None	None	None

Independent Director	ROC	Chang Zhi-Yuan	Male (61-70)	20230626	3 year	20230626	-	—	—	—	-	-	-	-	B.S. in Industrial Engineering, Feng Chia University, M.B.A., Saginaw State University, Michigan, U.S.A. 1.Human Resources Manager, Electronic Research Institute, Industrial Technology Research Institute 2.Spokesperson, Associate, Huabang Electronics Co. 3. Chairman, Huabang Integrated Circuits (Shenzhen) Co. 4. Deputy Secretary General and China Director, Taiwan Electrical and Electronic Industries Association (TEEIA)	1.Secretary General, Taiwan Science Park Science Industry Association 2. Administrative Advisor, Executive Yuan 3. Director, Industrial Technology Research Institute (ITRI) Alumni Association 4. Independent Director, BRIGHT LED ELECTRONICS CORP	None	None	None	None
Independent Director	ROC	Yen Tzong-Ming	M (71~80)	1090615	3 years	1090615	-	—	-	-	5,587	—	—	—	• Department of Commercial Mathematics, Soochow University, Master of Economics •Washington College of the University of Pennsylvania PhD Program in Finance 1.Executive Yuan National Science Council Hsinchu Science and Engineering Director of Industrial Park Administration and Hsinchu Biomedical Campus Program Office director. 2. Adjunct in the Department of Business Administration, Private Xuanzang University visiting professor.	1.Independent Director of Machvision Inc 2. Director of Hsinchu Private Guangfu Middle School 3. General Councilor of Alumni Service and Resource Development Center in Soochow University	None	None	None	None

Note 1: Corporate shareholders should list the name of the corporate shareholder and the representative separately (for those who are representatives of corporate shareholders, the name of the corporate shareholder should be indicated), and should fill in Table 1 below.

Note 2: Please list actual age and express it in a range, e.g. 41~50 years old, 51~60 years old.

Note 3: Enter the time when you first became a director or supervisor of the Company, and include a note if there was an interruption.

Note 4: For experience related to the current position, if you have worked for a CPA firm or a related company during the previous reporting period, you should specify the title of the position and the duties for which you are responsible.

Note 5: If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or first degree relatives, the reasons, rationality, necessity and Countermeasures (such as increasing the number of independent directors, and more than half of the directors are not concurrently employees or managers) shall be explained.

3-2-2Institutional shareholder information

Table 1:Major Shareholders of Institutional Shareholders

2024/04/16

Name of Institutional Shareholder(Note1)	Major Shareholders of Institutional Shareholders(Note2)
Shin Chuan Yuan Investment Co.,Ltd.	Wu Fanciqin 80%

Note 1: If the directors and supervisors are representatives of institutional shareholders, the name of the institutional Shareholders should be disclosed.

Note 2: Fill in the name of the major shareholder of the institutional shareholder (whose shareholding ratio ranked the top ten) and its shareholding ratio. If its major shareholder is a juridical person, it should be disclosed in Table 2 below.

Note3 If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be Disclosed are the names of people who contributed or donated the capital and the ratio of their contribution Or donation.

3-2-3、Major shareholders of the Company's major institutional shareholders: None。

3-2-4、Information Regarding Directors

A. Professional Qualifications and Independence Analysis of Directors: Directors

Criteria / Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Peng Ting-Yu (Chairman)	a. Profession qualifications: Business, legal, financial, accounting or corporate. The work experience required for the service; and there is no company law 30 items of various affairs. Master of Business Administration, University of Southern California, U.S.A. b.Education: Master at USC C.Work expense: ●General manager of Action Electronics Co.,Ltd. ●Consultant of TEEMA ●Director, Next Generation Charity Association ●current position: Currently Chairman of Action Electronics Co.,Ltd、Chairman of Action Asia(Shenzhen)Co.,Ltd、Chairman of Action Industries (M)SDN.BH.	Not applicable	0
Peng Chiun-Ping (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b.Education: Tamkang University C.Work expense: ●.Bank of Communications ●National Taxation Bureau of Taipei ●Chairman of Action Electronic Co.,Ltd ●current position: .President of Action Electronics Co.,Ltd、.Chairman of Shanghai Action Technology Co.,Ltd、.Chairman of Far Year Construction Co.,Ltd	Not applicable	0
Chao Teng-Pang (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b.Education: Tamkang University C.Work expense: ●Chairman of Action Electronic Co.,Ltd 、Santron Electronic Co.,Ltd ●current position: Chairman of Realise Tech-Service Co.,Ltd、Director of Far Year Construction CO.,LTD、Director of、Director of Action Asia(Shenzhen)Co.,Ltd、Supervisor of Shanghai Action Technology CO.,LTD	Not applicable	0

Criteria / Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Liu Chiu-Chi (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Work expense: ●Cheng-kung Senior Industial Commercial Vocational School ●Chairman of ING-KER Tech Ltd ●Current position: Director of Realise Tech-Service Co.,Ltd、Supervisor of Action Asia(Shenzhen)Co.,Ltd	Not applicable	0
Wen Yu Mei (Director)	a. Profession qualifications: Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: MBA NCCU、National Taipei College of business c. Work expense: ●.Senior Manager of First Securities Inc. ●.Finance Manager of Taoyou Securities Inc ●Current position: Chairman of You Yuan Lai Investment Ltd.、Director of Dedection Asia (Shenzhen)Co.,Ltd. Director of Far Year Construction Co.,Ltd.、Action Asia(Shenzhen)Co.,Ltd。	Not applicable	0
Peng Hsiu-Yun (Director)	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: Management ,Pacific Western University c. Work expense: ●. Director of Shanghai Federation of Taiwan Compatriots Deputy Chairman of Jiading District ●Current position: Director and Genernal manager of Shanghai Action Technology CO.,LTD；Director of Action sia(Shenzhen)Co.,Ltd	Not applicable	0
Shin Chuan Yuan Investment Co.,Ltd Representive: Tsai Jin wan (Director)	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: Department of uiness Management of Saginaw Valley State University c. Work expense: ●Lecturer of National Open University ●Director of Sanyo Whisbih Group Education Foundation ●Chairman of Baoshan Guandi Temple, New Taipei City ●Current position: Current position(s):Chairman of Shin Chuan Yuan Investment Co. Ltd., General Manager of Far Year Construction Co. Ltd., Director of Dede Technology (SHENZHEN) CO., LTD., Director of Culture and Education Foundation of Action Electronics Co.,Ltd., Consultant of Taiwan Science Park Science Industry Association	Not applicable	0
Yeh Li-Wei (Director)	● Have the necessary working experience in commercial, legal, financial, accounting or company business; and have not been subject to the provisions of Section 30 of the Companies Act. ●Education: M.S., Graduate School of Optoelectronics Technology, National Central University, Taiwan ●Previous positions: Project Manager, Product Engineering Division, Nanya Technology Corporation; Project Manager, Marketing Division, Nanya Technology Corporation. ●Current position(s): Manager of the Company, Head of R&D, Action ASIA (SHENZHEN) Co., Ltd.	Not applicable	0

B.Professional Qualifications and Independence Analysis of Directors: Independent Director

Criteria / Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Tang Peng-Chin (Independent Director))	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education:National Chung Hsing University,Accounting Dept.、CPA c. Work expense: ●.Accountant of Jian Yang United Accounting Firm. ●.Tongxie Electronic Audit Manager and Spokesperson ●Current position: (1)Chairman of TransGlobe capital management Ltd.(TGCM). (2)Independent Director of KINGZA International CO., LTD. Ltd (3)Director of 渴樂園有限公司, a company operating Dante Coffee.	(1) Not the person,the person's spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates. (2) Not the person who holds shares,together with those held by the person's Spouse,minor children,or held by the person under others' names.In an aggregate of 0% of the total number of issued shares of the company, (3) Not a director or supervisor of the company or any of its affillates. (4) Not a professional who provides audits or commercial,legal commercial,legal,financial,accounting,or other related services with compensation within the past two years to UPEC or its affiliates.	1
CHANG ZHI-YUAN (Independent Director)	a. Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education:B.S. in Industrial Engineering, Feng Chia University, M.B.A., Saginaw State University, Michigan, U.S.A. c. Work expense: Human Resources Manager, Electronics Research Institute, Industrial Technology Research Institute (ITRI); Associate, Spokesperson, Huabang Electronics Corporation; Chairman, Huabang Integrated Circuits (Shenzhen) Co., Ltd; Vice Secretary, China Director, Taiwan Electrical and Electronic Industries Association. ●Position: Secretary General of Taiwan Science Park Science Industry Association, Administrative Advisor of Executive Yuan, Director of Industrial Technology Research Institute (ITRI) Alumni Association, Independent Director, BRIGHT LED ELECTRONICS CORP	(1) Not the person,the person's spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates. (2) Not the person who holds shares,together with those held by the person's Spouse,minor children,or held by the person under others' names.In an aggregate of 0% of the total number of issued shares of the company, (3) Not a director or supervisor of the company or any of its affillates. (4) Not a professional who provides audits or commercial,legal commercial,legal,financial,accounting,or other related services with compensation within the past two years to UPEC or its affiliates.	1
Yen Tzong-Ming (Independent Director))	a.Profession qualifications:Business, legal, financial, accounting or corporate The work experience required for the service; and there is no company law 30 items of various affairs. b. Education: ●Department of Commercial Mathematics, Soochow University, Master of Economics	(1) Not the person, the person's spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates. (2) Not the person who holds shares,together with those held by the person's Spouse,minor children,or held	1

	●Washington College of the University of Pennsylvania PhD Program in Finance c. Work expense: (1)Executive Yuan National Science Council Hsinchu Science and Engineering (2)Director of Industrial Park Administration and Hsinchu Biomedical Campus Program Office director. (3) Adjunct in the Department of Business Administration, Private Xuanzang University visiting professor. (4)Part-time job in the Science Management Institute of National Chiao Tung University Associate Professor。 ●Current position Independent Director of Machvision Inc., Director of Hsinchu Private Guangfu Middle School, General Councilor of Alumni Service and Resource Development Center in Soochow University	by the person under others' names.In an aggregate of 0% of the total number of issued shares of the company, (3) Not a director or supervisor of the company or any of its affillates. (4) Not a professional who provides audits or commercial,legal, financial, accounting,or other related services with compensation within the past two years to UPEC or its affiliates.	

3-2-5、 Diversification and independence of the board of directors

(a) Diversity of the Board of Directors: The Company describes the policies and objectives of the Board of Directors with respect to diversity, and the status of achievement of such policies and objectives.

In accordance with the "Code of Corporate Governance Practices", the Company's Board of Directors is composed of members who formulate and implement policies on board diversity. Individual directors' implementation of board diversity is categorized as follows, based on the Company's operations and the expertise of the directors.

(1) The Business Development Group has management and leadership decision-making directors: Chairman Peng Ting-yu, Directors Peng Chiun-Ping, Chao Teng-Pang,Hsu Wen-Tang, Liu chiu-chi, Wen Yu-mei, Peng Hsin-Yun, Tsai Jin Wan, etc., hold monthly management committees to discuss improvement measures based on operating results and performance. Make records and track the situation of improvements.

(2). Directors of Industry Knowledge and Financial Accounting Group: Chairman Peng Ting-yu, Directors Peng Chiun-Ping, Chao Teng-Pang, Yeh Li-Wei, Liu chiu-chi, Wen Yu-mei, Peng Hsin-Yun, Tsai Jin Wan, etc. Conduct monthly financial analysis on the financial statements of each unit, international industry changes form, put forward operational crisis management, and improve operations。

(3) Independent Director, Tang Peng Chun, is a certified public accountant. Chih-Yuan Chang is the Human Resources Manager of the Electronics Research Institute, and Industrial Technology Research Institute, and was the Spokesperson of Huabang Electronics Co. Yen Tzong-Ming has served as the Director of the Hsinchu Science Park Administration and the Director of the Hsinchu Biomedical Park Project Office of the National Science Council of the Executive Yuan, as well as a director of Mega Bills Finance Corporation. The independent director has experience and expertise in economics, finance, and industry, and has provided advice to the company's operations, which has helped to bring the implementation of internal controls and risk management to the desired results. The independent directors comprise the Compensation Committee and the Audit Committee.

(4) By March 2024, the head of corporate governance of the Company will complete the evaluation of the performance of directors in accordance with the "Performance Evaluation Method", and the results of the evaluation will be submitted to the Board of Directors for approval in March 2024, which will be used in conjunction with the "Regulations Governing the Payment of Directors' Compensation and Remuneration" as a reference for the payment of directors' compensation.

B、Diversity of board members and their achievement:.

✔ There are 3 female directors (27%) and 8 male directors (73%).

✔ 2 directors with employee status (18%), 3 directors with employee status (27%)、One directors with employee status accounted for 9% and three independent directors accounted for 27%.

✔ Age of Directors: 4 over 70, 3 between 60 and 70, 4 under 60。

✔ Four directors whose term of office is more than ten years and seven directors who are less than five years.

✔ The diversification core items of each director are as follows:

Diversity Core Program / Director name		gender	Term of office of independent directors			Management	leadership decision	Industry knowledge	Financial Accounting, Legal law
			Less than 3 years	3 to 9 years	More than 9 years				
Director	Peng Ting-yu	Female				V	V	V	V
Director	Peng Chiun-Ping	Male				V	V	V	V
Director	Chao Teng-Pang	Male				V	V	V	V
Director	Liu Chiu-Chi	Male				V	V	V	V
Director	Wen Yu-Mei	Female				V	V	V	V
Director	Peng Hsiu-Yun	Female				V	V	V	V
Director	Representative of Shin Chuan Yuan Investment Co.,Ltd. Tsai Jin-Wan	Male				V	V	V	V
Director	Yeh Li-Wei	Male				V	V	V	V
Independent Director	Tang Peng-Chin	Male		V		V		V	V
Independent Director	Chang Zhi-Yuan	Male	V			V		V	V
Independent Director	Yen Tzong-Ming	Male		V		V		V	V

3-2-6、Information Regarding Management Team

4/16/2024

Unit：share；%

Title（Note1）	Nationality	Name	Gender	Date of Assignment	Share Held		Share held by spouse and minors		Share held by Nominee Arrangement		Experience（Education）（Note2）	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Remark Note 3
					shares	%	shares	%	shares	%			Title	Name	Relation	
General Manager	ROC	Peng Hsiu-Yun	Female	2023.12.19	1,120,000	0.40	170,158	0.06	—	—	MBA, University of the Westpac, USA 1. Director of Shanghai Taiwan Compatriot Association, Vice Chairman of Jiading District 2. President of Jiading District Women's Association, Shanghai Taiwan Compatriot Association	1. Director and General Manager of Shanghai Maxin Memory Technology Co., Ltd. 2.General Manager of Action Electronics Co., LTD 3.Director of ACTION ASIA (SHENZHEN) CO., LTD.	None	None	None	None
General Manager	ROC	Peng Ting Yu	F	110.03.29	4,331,983	1.56	—	—	—	—	1.Master at USC 2.President of Action Electronics Co.,Ltd 3.Consultant of TEEMA 4.Director, Next Generation Charity Association p.	1. General manager of Action Electronics Co.,LTD. 2. Chairman of Action Industries(M) SDN BHD. 3. Chairman of Action Asia (Shenzhen) Co.,Ltd 4.Director of Realise Tech-Service Co.,Ltd 5.Director of Shanhai Action Technology Co., Ltd. 6. Legal person director representative “Clientron Corp”.	None	None	None	None
Business Associate	ROC	WENG MING-HUA	Male	2023..07.03	—	—	—	—	—	—	1. Saiko Industry & Commerce Graduation 2. Associate, Sanyo Industrial Co. 3.Director, Kolin Inc. 4.Assistant Manager, Sheng Lin Technology Co., Ltd.	No	No	No	No	No
Financial Officer	ROC	Vincent Weng	M	111.05.12	—	—	—	—	—	—	1.Institute of Finance, Yuan Ze University 2. Financial Supervisor of Shuanghong Technology Co., Ltd.	Supervisor of Realise Tech-Service Co.,Ltd	None	None	None	None

Title（Note1）	Nationality	Name	Gender	Date of Assignment	Share Held		Share held by spouse and minors		Share held by Nominee Arrangement		Experience（Education）（Note2）	Other Positions	Managers who are Spouses or Within Two Degrees of Kinship			Remark Note 3
					shares	%	shares	%	shares	%			Title	Name	Relation	
Accounting Officer	ROC	May huang	F	112.01.01	—	—	—	—	—	—	1.Graduated from the Accounting Department of Chung Yuan University 2.Manager of Audit Department of Anhou Jianye Certified Public Accountants 3.Senior Manager of Accounting Department of Risheng Life Technology Co., Ltd. 4.Senior Manager of Finance and Accounting Department of Cayman Likai Power Technology Co., Ltd.		None	None	None	None
Head of Corporate Governance	ROC	Chelsea Chen	M	111.01.01	—	—	—	—	—	—	Department of Public Administration, Taipei University	Secretary of the Board of Directors of Action Electronics Co., Ltd.	None	None	None	None

Note1：Information Regarding General managers、Vice President、Assistant VP and heads of Department should be disclosed and regardless of job title, any person whose position is equivalent to General Manager,Vice President.Assistant VP should be disclosed too.

Note 2:For the experience relevant to the current position, such as employment at an audit and certification accounting firm or an associated enterprise during the said period, the title and responsibilities shall be specified.

Note 3:If the chairman of the board of directors and the general manager or equivalent (top manager) of the company are the same person, spouses or first degree relatives, the reasons, rationality, necessity and Countermeasures (such as increasing the number of independent directors, and more than half of the directors are not concurrently employees or managers) shall be explained.

3-3、**Remuneration Paid to Directors, Independent Directors, Supervisors, President, and Vice Presidents**

3-3-1、**Remuneration of Directors and Independent Directors**

Unit：NT thousand

Job Title	Name	Directors' remuneration								Total amount of A, B, C, and D and percentage of net income after tax (Note 10)		Remuneration for part-time employees								A, B, C, D, E, F, and G as a percentage of after-tax net income (Note 10)		Remuneration from investing activities other than those of subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Retirement Pension (B)		Directors' remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses and special expenses, etc. (E) (Note 5)		Retirement Pension (F)		Staff remuneration (G) (Note 6)						
																Company		All companies in the financial statements (Note 8)				
		Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Company	All companies in the financial statements (Note 8)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	Company	All companies in the financial statements (Note 8)	
Chairman	Peng Ting-Yu	0	0	0	0	989	989	210	695	1.10%	1.54%	3,158	5,014	0	0	0	0	0	0	4.00%	6.14%	No
Director	Peng Chiun-Ping	0	0	0	0	330	330	145	894	0.44%	1.12%	847	3,953	0	0	0	0	0	0	1.21%	4.75%	No
Director	Chao Teng-Pang	0	0	0	0	330	330	135	593	0.43%	0.85%	4	1,528	0	0	0	0	0	0	0.43%	2.25%	No
Director	HUI WEN TONG	0	0	0	0	0	0	50	50	0.05%	0.05%	0	0	0	0	0	0	0	0	0.05%	0.05%	No
Director	YEH LI-WEI	0	0	0	0	330	330	70	70	0.37%	0.37%	769	769	0	0	0	0	0	0	1.07%	1.07%	No
Director	LIU CHIU-CHI	0	0	0	0	330	330	125	197	0.42%	0.48%	0	0	0	0	0	0	0	0	0.42%	0.48%	No
Director	Wen Yu-Mei	0	0	0	0	330	330	135	187	0.43%	0.47%	0	0	0	0	0	0	0	0	0.43%	0.47%	No
Director	Peng Hsiu-Yun	0	0	0	0	330	330	125	229	0.42%	0.51%	371	1,781	0	0	0	0	0	0	0.76%	2.15%	No
Director	Tsai Jin-Wan, Representative of Shin Chuan Yuan Investment Co.,Ltd.	0	0	0	0	330	330	135	135	0.43%	0.43%	0	1,896	0	0	0	0	0	0	0.43%	2.17%	No
Director (Independent)	TANG PENG-CHIN (Independent)	400	400	0	0	0	0	125	125	0.48%	0.48%	0	0	0	0	0	0	0	0	0.48%	0.48%	No
Director (Independent)	Min, Kuei-Ling (Independent)	194	194	0	0	0	0	50	50	0.22%	0.22%	0	0	0	0	0	0	0	0	0.22%	0.22%	No
Director (Independent)	Chang Zhi-Yuan (Independent)	206	206	0	0	0	0	70	70	0.25%	0.25%	0	0	0	0	0	0	0	0	0.25%	0.25%	No
Director (Independent)	Yen Tzong-Ming (Independent)	400	400	0	0	0	0	125	125	0.48%	0.48%	0	0	0	0	0	0	0	0	0.48%	0.48%	No

Note 1: The independent directors of the Company are paid a fixed amount of compensation for performing their duties for the Company, regardless of the Company's profit or loss, and are paid quarterly, amounting to NT$400,000 per year.
Note 2: In addition to the above table, the remuneration received by the directors of the Company for services rendered to all companies included in the financial statements (e.g., serving as consultants to the parent company/all companies included in the financial statements/transferred investment companies that are not employees, etc.) for the most recent year: None.

3-3-2、Remunerations Paid to General Manager and Vice President .

Range of Remuneration

Job Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonus and special expenses, etc. (C) (Note 3)		Staff remuneration (D) (Note 4)				A, B, C, and D as a percentage of after-tax net income (Note 8)		Remuneration from investing activities other than those of subsidiaries (Note 7)
		Company	Company in the Financial Statements (Note 5)	Company	Company in the Financial Statements (Note 5)	Company	Company in the Financial Statements (Note 5)	Company		All companies in the financial statements (Note 5)		Company	All companies in the financial statements (Note 6)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Peng,Ting-Yu	5,145	6,607	0	0	0	0	133	0	133	0	5,278 4.84%	6,740 6.18%	無
General Manager	Peng Hsiu-Yun													
special assistant	Peng,Bo-Zhang													
General Manager, Business Division	Chen,Han-Wen													
Deputy General Manager	Chou, Hui-Yu													

＊Regardless of job title, any position equivalent to General Manager or VP(e.g. President, CEO, General Director, etc.)should be disclosed

Note: CHAN HON MAN, General Manager of the Division, left on 2/28/2023. General Manager Peng Ting-Yu was relieved of his concurrent duties as General Manager on 12/19/2023. On December 19, 2023, Peng Hsiu-Yun, General Manager, assumed office. The Deputy General Manager, Chou, Hui-Yu, will leave on January 31, 2024

Remuneration level of each General Managers and Vice President of the company	Name of General Managers and Vice Presidents	
	The Company(Note 6)	Companies in the consolidated financial statements (Note 7)E
Less than NT$1,000,000	Peng Hsiu-Yun/Chen,Han-Wen	Chen,Han-Wen

NT$1,000,000(inclusive)～NT$2,000,000(exclusive)	Peng,Bo-Zhang	Peng Hsiu-Yun/Peng,Bo-Zhang
NT$2,000,000(inclusive)～NT$3,500,000(exclusive)	Chou, Hui-Yu	Chou, Hui-Yu

Note: General Manager Peng Ting-Yu is not paid.

Note1: Names of General Managers and Vice Presidents shall be listed separately and individual payments made shall be disclosed through a summary. If the director is also a general manager or vice general manager, this table and the above table (1-1 or 1-2) shall be completed.

Note2：Refers to the salaries, duty allowances, and severance pay paid to the General Manager and VP in the most recent year.

Note3：Refers to the compensation paid to General Manger and VP, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note4：Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for General Manger and VP in the amount and ratio distributed last year.

Note5：The total remuneration paid by all companies in the consolidated statements (including the Company) to General Manager and VP must be disclosed

Note6：The total remuneration paid by the Company to General Manager and VP must disclose their name

Note7：The total remuneration paid by all companies in the consolidated statements (including the Company) to General Manager and VP must disclose their name.

Note8：The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note9：a. Specify the amount of remuneration received by General Manager and VP from ventures other than subsidiaries

b. The remuneration amount received by General Manger and VP from ventures other than subsidiaries, the amount shall be included in E column and change its name of Column into all ventures.

c..The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by General Manager and VP who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

＊The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

3-3-3、 Managerial officers with the top five highest remuneration amounts

Unit:NT$ thousand

Range of Remuneration

job title	Name	Salaries (A) (Note 2)		Retirement and pension benefits (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee compensation amounts (D) (Note 4)		Total of items A, B, C, and D and their percentage of net profit after tax (%) (Note 6)		Whether any compensation was received from investment
			All consolidat	The company	All consolidat	The company	All consolidat	Company	All consolidated entities (Note 5)	The company	All consolidat	

		The company	ed entities (Note 5)		ed entities (Note 5)		ed entities (Note 5)	Cash	Stock	Cash	Stock		ed entities (Note 5)	businesses other than subsidiaries (Note 7)
Vice President	Chou, Hui-Yu	2,742	2,742	0	0	0	0					2,742 2.52%	2,742 2.52%	No
General Manager	Peng Hsiu-Yun	371	1,781	0	0	0	0	133	0	133	0	504 0.46%	1,914 1.76%	No
Accounting Supervisor	Huang,Mei-Fang	1,229	1,229	0	0	0	0	105	0	105	0	1,785 1.64%	1,785 1.64%	No
special assistant	Peng,Bo-Zhang	986	1,281	0	0	0	0	60	0	60	0	1,229 1.13%	1,281 1.18%	No
Treasurer	Vincent Weng	958	958	0	0	0	0	52	0	52	0	1,037 0.95%	1,037 0.95%	No

Note: General Manager Peng Ting-Yu Upaid、VP Amme_chou、Financial Office Vincent Weng、Accounting manger May_Huang tenure less than one year。General Manager Peng Hsiu-Yun assumed office on December 19, 2023.The Deputy General Manager, Chou, Hui-Yu, will leave on January 31, 2024

Note1:Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard fordetermining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note2：Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note3：Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition,where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note4：Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note5：The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed

Note6：The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note7：a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

＊The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

3-3-4 Names and distribution of management team assigned with employees'bonus

2023/04/27

Unit：In NT$ thousand

	job title （Note 1）	Name （Note 1）	Stock	Cash	Total	Total amount as a percentage of net profit after tax (%)
Manager	General Manager	Peng Ting-Yu	0	424	424	0.39%
	special assistant	Peng, Bo-Zhang				
	Accounting Supervisor	May Huang				
	Business Associate	Weng Ming-Hua				
	Head of Finance	Vincent Weng				
	Head of Corporate Governance	Chelsea Chen				

Note1：Listed the names and job tiltl of each managerial officers, but employee's profits sharing bonus can be disclosed through a summary.

Note2：Refers to the amount of employee compensation (including stock and cash) Approved by the Board of Directors for managerial officers in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year. The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note3：Managerial officers refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003.

(1) General Managers and equivalent posts

(2) Vice President and equivalent posts

(3) Assistant VP and equivalent posts

(4) Head of Department of Finance

(5) Head of Accounting Department

(6) Other people handling corporate affairs and signature rights

Note4：If directors, General managers and Vice President receive employee remunerations (including stock and cash), this table needs to be completed in addition to Exhibit 1-2.

Note 5: General Manager Peng Ting-Yu was relieved of his concurrent role as General Manager on December 19, 2023. General Manager Peng Hsiu-Yun will take office on December 19, 2023.The Deputy General Manager, Chou, Hui-Yu, will leave on January 31, 2024

3-3-5、Information Regarding Remuneration paid to Directors, General Manager and Vice

Presidents from All Entities in the Consolidated Financial Statements in the Most Recent Two Years:

1.Remuneration to Directors as a % of Net Profit after Tax Unit：In NT thousands

year / Item	2023		2022	
	Company	Merger company	Company	Merger company
Remuneration to Directors	10.23%	20.97%	11.72%	22.45%
Remuneration to managerial officers	4.84%	6.18%	3.47%	3.47%
net profit after tax	108,993	108,993	91,774	91,774

Note: The Company established the Audit Committee instead of supervisors approved by annual shareholders' meeting held on June 24,2014, therefore no remuneration paid to surpervisors

2.Relationship between remuneration policies, standards, procedures for setting remuneration and operating performance

① Remuneration policy for directors: In accordance with Article 25 of the Company's of Articles Incorporation, the remuneration of the Chairman, Vice Chairman and directors shall be determined by the Board of Directors in accordance with the value of their participation in and contribution to the Company's operations, and with reference to domestic and international industry standards. The board of directors shall resolve the directors' transportation fees. Article 29 of the Company's Articles of Incorporation stipulates: If the Company makes a profit, it shall appropriate not more than 3% for the directors' remuneration; the independent directors shall not participate in the distribution, and the criteria for the contribution shall be assessed in accordance with the Company's operation and shall be considered and approved by the Remuneration Committee and then sent to the Board of Directors for approval. In addition, Article 6 of the "Rules Governing the Remuneration of Directors and Functional Committees" stipulates that independent directors shall be paid a fixed amount of compensation, quarterly, of NT$400,000 per year, regardless of the Company's profit or loss, for the performance of their duties. The Company periodically evaluates the remuneration of directors in accordance with the "Board of Directors' Performance Evaluation Method", and the related performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

② Criteria for Managerial officers' remuneration, in order to effectively integrate organizational strategies, departmental objectives, company values (core functions) and employee actions, the Company may establish management rules for employee performance appraisal, stipulate various work allowances and bonuses, and sympathize and reward employees for their efforts in their work, the relevant bonuses shall be granted according to the company's annual operating performance, financial status, operational status and individual performance. In addition, if the Company makes a profit in the year, the Company shall allocate not less than 1% for the employees' remuneration in accordance with Article 29 of the Company's Articles of Incorporation, and the criteria for the allocation shall be assessed according to the Company's

operation and approved by the Remuneration Committee and submitted to the Board of Directors for approval. The results of the performance evaluation conducted by the Company in accordance with the "Performance Management Regulations" shall be used as a reference for the bonus payment of the managerial officers.

③ Remuneration Procedures.

A. The remuneration of directors and managerial officers is evaluated periodically based on the evaluation results performed by the "Performance Evaluation Method of the Board of Directors" and the "Performance Evaluation Method" applicable to managerial officers and employees, respectively.

B. The Company's directors and managerial officers are evaluated and reviewed annually by the Remuneration Committee and the Board of Directors with reference to their individual performance and contribution to the Company, the overall performance of the Company's operations, the future risks and development trends of the industry, and the timely review of the remuneration system from time to time in light of the actual operating conditions and relevant laws and regulations, and the current trends in corporate governance, in order to strike a balance between sustainable operation and risk control. Director and executive compensation is disbursed in accordance with the company's articles of association, with pre-tax profits serving as the allocation basis. The allocation standard is determined based on the company's operational assessment, subject to review and approval by the remuneration committee before being passed through resolution by the board of directors.

④ Relationship to operating performance: Review of payment standards and systems related to the Company's remuneration policy. The Company's remuneration policy is based on the overall operating conditions of the Company, and is based on the achievement rate and contribution of the Company's performance, in order to enhance the effectiveness of the Board of Directors and the management team. In addition, we make reference to industry salary standards to ensure that our management's salary is competitive in the industry and to retain outstanding management personnel.

3-4、Implementation of Corporate Governance ementation of Corporate Governance

3-4-1、**Operations of the Board of Director** Meetings

The annual board of directors' meetings have been held 7 times recently， The attendance of director and supervisor were as follows:

Title	Name(Note1)	Attendance in person (B)	By Proxy	Attendance rate in person (%) 【B/A】(Note 2)	Notes
Chairman	Peng, Ting-Yu	7	0	100	1090615Reelected
Director	Peng, Chiun-Ping	7	0	100	1090615Reelected
Director	Chao, Teng-Pang	6	1	86	"
Director	Yeh Li-Wei	4	0	100	Newly Appointed on June 26, 2023.
Director	Hsu,Wen-Tang	1	2	33.00	Stepped down on June 26, 2023.
Director	Liu, Chiu-Chi	7	0	100	1090615Reelected
Director	Wen, Yu Mei	7	0	100	1090615New office assumed
Director	Peng, Hsiu-Yun	7	0	100	1090615New office assumed
Director	Shin Chuan Yuan Investment Co.,Ltd Representive: Tsai, Jin Wan	7	0	100	1090615New office assumed
Independent Director	Tang, Peng-Chin	7	0	100	1090615New office assumed
Independent Director	Chang Zhi-Yuan	3	1	75	Newly Appointed on June 26, 2023
Independent Director	Min, Kuei-Ling	3	0	100	Stepped down on June 26, 2023.
Independent	Yen, Tzong-Ming	7	0		1090615New office

Director				100	assumed

Other matters to be recorded:

1. If the operation of the board of directors is under any of the following circumstances, the date, period, resolution contents, all independent directors' opinions and how the company handled with independent directors' opinions shall be stated:

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

The company has established an audit committee. According to Article 14-5 of the Securities Exchange Act, approval by more than half of all members of the audit committee and a resolution by the board of directors is required. The provisions of Article 14-3 of the Securities Exchange Act do not apply. Please refer to the annual report for information on the operation of the audit committee.

(2) Other than the foregoing, there are no other resolutions of the Board of Directors to which the independent directors have objected or reserved their opinions and which have been recorded or stated in writing: There is no such situation.

2、The implementation of the withdrawal of a director's interest motion shall state the name of the director, the content of the motion, the reasons for the withdrawal of interests and the voting situation:

Date	Name of Director	Contents of Motion	Reasons for disqualification and voting circumstances
2023.03.14	Peng Ting-Yu, Liu Chiu-Chi and Wen Yu-Mei, Tsai Jin-Wan, representative of Shin Chuan Yuan Investment Co.,Ltd., Tang Peng-Chin, Yen Tzong-Ming, Chang Zhi-Yuan	Lifting the restriction on new directors and their representatives from the prohibition of competition.	Interested parties avoided the meeting and did not participate in the voting.
2023.12.19	Peng Hsiu-Yun	Appointment of General Manager of the Company	Interested parties avoided the meeting and did not participate in the voting.
2023.12.19	Peng Hsiu-Yun	The Company's 2022 Employee Compensation Manager's Allocation Plan	Interested parties avoided the meeting and did not participate in the voting.

3. Implementation of the self-assessment by the Board of Directors of the Company:

Evaluation cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Content	Results
Once a year	Performance evaluation from 2023/01/01 to 2023/12/31	The Board of Directors	Internal Self-Evaluation by the Board	1.Level of involvement in the company's operations 2.Improving the quality of board decisions 3.Board Composition and Structure 4.Election of Directors and Continuing Education 5.Internal control 6.other	Good
Once a year	Performance evaluation from 2023/01/01 to 2023/12/31	The Board of Directors	Self-Evaluation by individual board members	1.Mastery of company objectives and tasks 2.Directors' awareness of their duties and responsibilities and their involvement in the Company's operations. 3.Internal relationship management and communication. 4.The directors' professional and continuing education. 5.Internal control	Good
Once a year	Performance evaluation from 2023/01/01 to 2023/12/31	Functional Committee	Internal Self-Evaluation by Functional Committee	1. Participation in company operations 2. Functional Committee Responsibilities Awareness 3. Improve decision-making quality of functional	Good

				committees 4. Functional committee composition and member selection 5. Internal Control	

＊The evaluation results will be reported to the board of directors on March 12, 2024.

4. The objectives of strengthening the functions of the board of directors in the current and recent years (such as setting up an audit committee, enhancing information transparency, etc.) and evaluation of the implementation.

(1) The company's board of directors has established an audit committee and a salary and remuneration committee, and other new functional committees will be set up in due course in the future.

(2) When the company convening the meeting of the board of directors, report the current business status of the company to the directors and prepare relevant materials for the proposal. Directors need to further understand the proposal and have relevant personnel to provide information and explanations in a timely manner.

(3) Actively provide information on various refresher courses to encourage directors to actively participate in various corporate governance courses.

3-4-2、Operations of the Audit Committee: Audit Committee established by the resolution of BOD in 2014 and 3 Independent Directors are members of Audit Committee

The Audit Committee met 5 times (A) in the latest year. Attendance of independent directors in the meetings is as follows:

Title	Name(Note1)	Attendance in person(Ｂ)	By Proxy	Attendance rate in person (%)【Ｂ/Ａ】(Note 2)	Remark
Independent Director	Tang Peng-Chin	4	1	80	2023.06.26 Re-elected
Independent Director	Chang Zhi-Yuan	2	1	67	2023.06.26 Newly appointed
Independent Director	Min, Kuei-Ling	2	-	100	2023.06.26 Newly appointed
Independent Director	Yen Tzong-Ming	5	-	100	2023.06.26 Re-elected

Other mentionable items：

1、If the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the period, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the audit committee's resolutions, and the company's response to the audit committee shall be stated. Handling of comments.

1. The matters listed in Article 14-5 of the Securities and Exchange Act.
2. Matters not listed above, which require approval by the Audit Committee, but have been approved by a resolution of two-thirds or more of all directors.

Convening date and period	Proposal content and subsequent processing	Matters listed in Article 14-5 of the Securities and Exchange Act	Decisions that have not been approved by the Audit Committee but have been approved by more than 2/3 of all directors
2023.03.14First Audit Committee	2022 business report, individual and consolidated and financial statements.	✓	No such situation
	2022 surplus distribution plan.	✓	No such situation
	The company is a capital loan project for the subsidiary "HUAKU DEVELOPMENT CO., LTD."	✓	No such situation
	Amendments to the "Procedures for Acquisition or Disposal of Assets" provision.	✓	No such situation
	"Internal Control System" and "Internal Audit Implementation Regulations" Amendment Draft	✓	No such situation
	Internal Control System Statement Draft of 2022	✓	No such situation
	Pre-approval of Auditor Firms and Related Entities to Provide Non-assurance Services to Company and Subsidiaries	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		
2023.05.10 Second Audit Committee	Appointment of Auditor for the Fiscal Year 2023: Assessment of Suitability and Independence	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		
2023.08.11 The fourth audit committee	Termination of the Provisions of the Regulations on the Management of Note, Passbook Custody, and Issuance	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		
2023.11.10 The fifth audit committee	Amendment Proposal for the Regulations on the Management of Checks, Passbooks, and Corporate Internet Banking	✓	No such situation
	Amendment Proposal for the Procedures and Methods of Self-Assessment of Internal Control System	✓	No such situation
	Audit Plan for the Fiscal Year 2024	✓	No such situation
	.Audit Committee Resolution Outcome: Unanimous agreement among all attending members. . Company's Handling of Audit Committee Opinion: Unanimous agreement among all attending directors.		

2、The implementation of the withdrawal of a director's interest motion shall state the name of the director, the content of the motion, the reasons for the withdrawal of interests and the voting situation: No such situation。

3、Communication situation among independent directors and internal audit supervisors and accountants (for example, matters, methods and results of communication on the company's financial and business conditions, etc.):

(1). The communication between independent directors and internal audit supervisors:

(a) Independent directors review internal audit operations and audit tracking progress and reports every month.

(b) Internal audit reports to independent directors in the audit committee quarterly, fully communicates the execution and effectiveness of the audit operation, and answers inquiries on issues of concern to independent directors. The communication situation is as follows:

Meeting date	Nature and communication topics	Suggestions from independent directors
2023.03.14	Internal audit business execution report for the fourth quarter of 2022.	The independent directors have no opinions or suggestions.
2023.05.10	Internal audit business execution report for the first quarter of 2023.	The independent directors have no opinions or suggestions.
2023.08.11	Internal audit business execution report for the second quarter of 2023.	The independent directors have no opinions or suggestions.
2023.11.10	Internal audit business execution report for the third quarter of 2023.	The independent directors have no opinions or suggestions.

(2). Communication between independent directors and accountants:

Meeting date	Nature and content of communication subject	Independent Director's Suggestion
2023.12.21	1. Accountants communicate and discuss the 2023 audit planning matters and key audit matters. 2. Communication of audit quality indicators and international professional ethics code for accountants.	The independent directors have no opinions or suggestions.

3-4-3、 Corporate governance operations and the differences and reasons from the Code of Practice for the Governance of Listed and Overseas Companies

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
1. Does Company follow “Taiwan Corporate Governance Implementation” to establish And disclose its corporate governance practices?	v		The company has not formulated the “Taiwan Corporate Governance Implementation” but has established a complete company .The governance structure is as shown in 3-1 Echo Group Organizational System Chart. Each unit implements business and operation according to the functions and regulations of the Code of Practice for Corporate Governance. The key points of implementation are: 1. Establish an effective corporate governance structure, protect the rights and interests of shareholders, strengthen the functions of the board of directors, exert the functions of the audit committee, respect the rights and interests of stakeholders, and enhance information transparency. 2. The relevant provisions of the Code of Practice for Corporate Governance, such as internal control system, subsidiary supervision and management measures, and rules of procedure for board meetings, are all handled in accordance with the provisions of the Code of Corporate Governance, so there is no difference from the "Code of Practice for Corporate Governance for IPO & OTC Companies".	None
2.Shareholding Structure & Shareholders’Equity				
(1)Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly	V		(1) The company has formulated internal major information handling procedures and measures, and has spokespersons and legal personnel to handle shareholder’s suggestions and disputes, all of above can resolve shareholder issues.	None
(2)Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(2) The Company reports changes in insider shareholdings on a monthly basis in accordance with the law, keeps track of the shareholdings of the Company's directors and major shareholders holding 10% or more of the shares, and the list of major shareholders and ultimate controllers through the historical shareholders' register. The stock and investor relations unit maintains good interaction with major shareholders and is aware of important issues that may cause changes in shares.	None
(3)Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	V		(3) The operation, business, and financial transactions between the company and the affiliated companies are all formulated operation management methods, and facilitate to establish the internal control system, and the duties, powers and accountabilities of the company and the affiliated companies are clearly divided, and appropriate firewall of risk assessments are constructed.	None
(4)Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		(4) In 2022, the board of directors of the company passed the "internal material information processing and insider transaction processing procedures", will prevent insider trading management measures and prohibit insiders and managers from using undisclosed information on the market. The above-mentioned management measures have been posted on the company's official website.	None

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Implementation Status(Note1)</th><th rowspan="2">Non-implementation and its reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td>3.Composition and Responsibilities of the Board of Directors
（1）Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?</td><td>V</td><td></td><td>(I)The Company's Board of Directors is diverse in terms of age, gender, and professional experience in business management, leadership and decision-making, industry knowledge, and finance and accounting. For information on the expertise and independence of the members of the Board of Directors, please refer to pages 16-20.</td><td>None</td></tr>
<tr><td>（2）Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?</td><td>V</td><td></td><td>(II) The company has established a Salary and Remuneration Committee, an Audit Committee, and other functional committees. Other functional committees have not yet been planned by the company. They will be set up based on the company's operating scale and needs.</td><td>None</td></tr>
<tr><td>（3）Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors’ remuneration and renewal?</td><td>V</td><td></td><td>(III) The company’s board of directors passed the "Performance Evaluation Measures" in November 2020 and selected the head of corporate governance to conduct regular evaluations on directors’ performance every year since 2020. The evaluation results will be reported to the board of directors in March Per Year and used in the " "Directors and functional committee remuneration payment method" for reference.</td><td>None</td></tr>
<tr><td>（4）Does the Company regularly evaluate its external auditors’ independence?</td><td>V</td><td></td><td>(IV) In accordance with the Statement of Ethics No. 10, "Audit and Review Independence," the Company's Accounting Office evaluates the independence and suitability of the certified public accountants on an annual basis and submits the results of the evaluation to the Board of Directors of the Company for discussion and resolution. The Board of Directors is required to submit to the Board of Directors a copy of the CPA's biography, the CPA's Statement of Independence (which is not in violation of Statement No. 10, "Statement of Ethics No. 10"), and AQI information prepared in accordance with the "Guidelines for the Preparation of Audit Quality Indicators by CPA Firms," in order to facilitate the evaluation by the Board of Directors of the independence and suitability of certified public accountants.
Company's Board of Directors reviewed and approved on May 10, 2023, that the certified public accountants meet Company's independence and suitability assessment criteria (no direct or significant indirect financial interest in the audit client, the firm's over-reliance on a single client as a source of compensation, and a significant and close business relationship with the audit client, etc.), and the following is a list of the significant items in the assessment of the independence of the certified public accountants:
<table>
<tr><th colspan="2" rowspan="2">Independence Assessment</th><th colspan="2">Compliance with independence</th></tr>
<tr><th>Items</th><th>Major Assessment Projects</th><th>V</th><th></th></tr>
<tr><td>1</td><td>An accountant shall avoid and shall not undertake any assignment in which he or she has a direct or material indirect interest that affects his or her impartiality or independence.</td><td>V</td><td></td></tr>
<tr><td>2</td><td>An audit or review of financial statements is an activity that provides a high or moderate, but not absolute, level of assurance to a broad range of potential users of the statements, and it is important for an accountant to maintain not only substantive independence, but also formal independence. Accordingly, members of the audit services team, other certified public accountants, the firm and the firm's affiliates are required to maintain independence from the audit client.</td><td></td><td>V</td></tr>
<tr><td>3</td><td>Accountant independence is associated with integrity, impartiality and objectivity. Whether there is a lack or loss of independence in the appointment of an accountant, which in turn affects the integrity and impartiality of the accountant's position.</td><td></td><td>V</td></tr>
<tr><td>4</td><td>Whether the accountant's independence is compromised by self-interest, self-assessment, defenses, familiarity, and coercion.</td><td></td><td>V</td></tr>
</table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment Items</th><th colspan="3">Implementation Status(Note1)</th><th rowspan="2">Non-implementation and its reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>5</td><td>A direct or significant indirect financial interest in the Company.</td><td></td><td>V</td></tr>
<tr><td>6</td><td>Financing or guaranteeing activities with the Company or its directors and supervisors.</td><td></td><td>V</td></tr>
<tr><td>7</td><td>Consider the likelihood of loss of the Company.</td><td></td><td>V</td></tr>
<tr><td>8</td><td>We have a close business relationship with the Company.</td><td></td><td>V</td></tr>
<tr><td>9</td><td>There is a potential employment relationship with the Company.</td><td></td><td>V</td></tr>
<tr><td>10</td><td>Contingent public expenses related to the Company's investigation.</td><td></td><td>V</td></tr>
<tr><td>11</td><td>A member of the Audit Services Group currently serves, or has served within the last two years, as a director, supervisor, manager, or in a position of significant influence over the Company's audit cases.</td><td></td><td>V</td></tr>
<tr><td>12</td><td>The non-audit services provided to the Company will have a direct impact on the materiality of the audit case.</td><td></td><td>V</td></tr>
<tr><td>13</td><td>Promoting or brokering shares or other securities issued by the Company.</td><td></td><td>V</td></tr>
<tr><td>14</td><td>Acting as the Company's advocate or representing the audit client to coordinate conflicts with other third parties.</td><td></td><td>V</td></tr>
<tr><td>15</td><td>Affiliation with the Company's directors, supervisors, managers, or other persons with significant influence on the audit.</td><td></td><td>V</td></tr>
<tr><td>16</td><td>A co-certified public accountant who has been out of office for less than one year serves as a director, supervisor, or manager of the Company, or in a position that has significant influence on audit cases.</td><td></td><td>V</td></tr>
<tr><td>17</td><td>Acceptance of gifts or gratuities of significant value from the audit client company or its directors, supervisors, or managers.</td><td></td><td>V</td></tr>
<tr><td>18</td><td>Requiring accountants to accept management's improper choices in accounting policies or improper disclosures in financial statements. Putting pressure on the accountant to unduly minimize the number of audits that should be performed in order to reduce the cost of the audit.</td><td></td><td>V</td></tr>
</table>
</td><td></td></tr>
<tr><td>4、Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?
an English-language website,
designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</td><td>V</td><td></td><td>IV. The board of directors of the company has approved and elected the "Corporate Governance Chief Coordinating Related Business" to be responsible for matters related to corporate governance in November 2020, information required by directors and independent directors, information required to assist directors in performing business, and to hold a meeting of board of directors, make minutes of board meeting and co-work with related matters of shareholder meetings in accordance with the laws and regulations, etc.</td><td>None</td></tr>
<tr><td>5、Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to</td><td>V</td><td></td><td>(I) The company has set up an investor area on the company website, instructing to communicate with stakeholders including investor relations, stock affairs, etc.; and provide spokesperson contact information on the website to appropriately respond to the concerning issues of stakeholders (including original manufacturer/ upstream suppliers, customers, shareholders/investors/banks, media, employees...) to set up a smooth communication channel.</td><td>None</td></tr>
</table>

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
stakeholders' questions on corporate responsibilities?			(II) There are communication channels for employees in the company's team, and employees can express their opinions via email or in written.	
6、 Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The company appointed Stock Affairs Agency of Yuanta Securities Co., Ltd. to handle stock affairs.	None
7、Information Disclosure （1） Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	V		(1) The company has set up a website to disclose the company's overview and financial information, and has dedicated personnel responsible for data maintenance and update. Company Website: http://www.action.com.tw	None
（2） Does the Company use other information disclosure channels (e.g. maintaining	V		(2) The company has set up spokespersons and acting spokespersons in accordance with the regulations, and designated dedicated personnel to collect company information, and be responsible for the disclosure of significant company information, and update the public information on the Market Observation Post system (MOPS) on time. (Currently, the company has not yet set up an English website)	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V		(3) to the large number of overseas subsidiaries held by the Company, the Company was unable to announce and report the annual financial statements within two months of the end of the fiscal year for 2023 in order to cooperate with each subsidiary to complete the consolidated financial statements, but the Company has cooperated with the law to announce and report the annual financial statements 75 days before the end of the fiscal year for 2023 and will aim to announce the financial statements within two months from now on. The Company announces the first, second and third quarterly financial reports 45 days before the end of each quarter, and the Group's revenue, capital loans, endorsements and guarantees, and the execution of derivatives by the 10th of each month according to the regulations.	None
8、 Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		1. Employees' rights and interests: The company abides by labor laws and regulations, and the appointment and dismissal, transfer, salary, rewards and punishments, education and training of related employees are in accordance with the company's internal management system to protect the rights and interests of employees. In accordance with laws and regulations, an Employee Welfare Committee has been established, a pension system has been implemented, and group insurance for employees has been insured. 2. Employee care: The company provides employee profit-sharing, year-end bonuses and other welfare measures, and protects the legitimate rights and interests of employees in accordance with the Labor Standards Law and other related regulations, provides complaints channels for employees, and set up a comprehensive online documentary management system that lists up various rights and obligations of employees and welfare items to regularly review the content of welfare and protect the rights and interests of employees. 3. Investor relations: improve the transparency of operations, strive for the accuracy, completeness and real-time disclosure of information; stress corporate governance, formulate and disclose corporate governance-related codes; set up a spokesperson system, which is responsible for handling shareholder's suggestions and ensuring shareholder equality. The company website contains investor mailboxes and spokesperson contact information to maintain a healthy and harmonious relationship between the company and shareholders. 4. Supplier relationship: The company has established Supplier Management Methods to ensure that the delivery time, quality and price of suppliers meet the company's needs, so that can keep a good relationship between each other. 5. Rights of interested stakeholders: respect intellectual property rights, stress relationships with customers, and abide by laws and regulations. 6. Implementation situation of risk management policies and risk measurement standards: The company adopts different strategies for different risks, formulates various internal regulations, and conducts risk assessment and management.	None

Assessment Items	Implementation Status(Note1)			Non-implementation and its reasons
	Yes	No	Explanation	
			7. Implementation situation of customer policies; maintain stable and good relations. 8. The company's purchase of liability insurance for directors; the company has purchased liability insurance for all directors of USD 3 million since May 2018, and it has been upgraded to USD 5 million in 2023.	

IX. Please explain the improved situation regarding the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year, and propose priority of strengthening items and measures for those that have not improved. (Those which are not included in the assessed company have no need to fill in) The 6th Corporate Governance Appraisal (2021 appraisal year) The improvement of the company's unscored items is described as follows:

(a) The Company will discuss the direction of further refinement of the unscored items.

(b) The Company expects to strengthen its corporate governance as follows:

1. To disclose on the Company's website the separate communications between the independent directors and the head of internal audit and the accountant (such as the manner, matters and results of communications regarding the Company's financial reports and financial and business conditions).
2. Regularly conduct internal performance evaluations of the functional committees (including the Audit Committee and the Compensation Committee) on an annual basis, and disclose the status of implementation and the results of the evaluations on the Company's website.
3. All directors have completed their education in accordance with the hours set forth in the "Key Points for the Implementation of Further Education for Directors and Supervisors of Listed and OTC Companies".

Note 1: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

3-4-4Composition, Responsibilities and Operations of the Remuneration Committee

1. Information Regarding the Members of the Remuneration Committee

Criteria / Name	Professional Qualifications requirements and work experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yen Tzong-Ming (Independent Director))	The Company's Remuneration Committee consists of three independent directors. Please refer to "3-2-4 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" in this annual report for the professional qualifications and experience of the members	1.Not the person,the person's spouse. Relative within the second degree of kinship,of a director,supervisor or an Employee of the company or any of its affiliates. 2.Not the person who holds shares,together with those held by the person's Spouse,minor children,or held by the person under others' names.In an aggregate of 0% of the total number of issued shares of the company, 3.Not a director or supervisor of the company or any of its affillates. 4.Not a professional who provides audits or commercial,legal, financial,accounting,or other related services with compensation within the past two years to UPEC or its affiliates.	1
Tang Peng-Chin (Independent Director))			0
Chang Zhi-Yuan (Independent Director))			1

Note 1: Please specify the relevant years of service, professional qualifications and work experience, and independence of each member of the Remuneration Committee in the form and, in the case of an independent director, provide a note stating the relevant information in Exhibit I (I) of Schedule 1 on page 47. Please indicate whether the member is an independent director or other (if the member is the convenor, please add a note).

Note 2: Professional Qualifications and Work Experience: Describe the professional qualifications and experience of the individual Remuneration Committee.

Note 3: Compliance with independence: describe the compliance with independence of the members of the salary and Remuneration Committee, including but not limited to whether I, my spouse and relatives within the second degree are directors, supervisors or employees of the company or its affiliated enterprises; The number and proportion of shares held by myself, spouse, second degree relatives (or in the name of others); whether to serve as a director, supervisor or employee of a company with a specific relationship with the Company (with reference to the provisions of subparagraphs 5-8, paragraph 1, Article 6 of the regulations on the establishment and exercise of functions and powers of the salary and Remuneration Committee of companies listed on the stock market or traded on the over-the-counter securities market); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises in the last two years.

Note 4: Please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for disclosure methods.

2、Operations of the Compensation Committee

1、The Remuneration Committee composed of 3 members

2、Office Term of Remuneration Committee：6/26/2023~6/25/2026，A total of 5 (A)

Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in	By Proxy	Attendance rate in person (%)	Remark

		person(B)		(B/A)(Note)	
Chairperson	Yen, Tzong-Ming	4	0	100	2023.06.26 Renewal
Chairperson	Min, Kuei-Ling	2	0	100	2023.06.26 Step down
Member	Tang, Peng-Chin	3	1	75	2023.06.26 Renewal
Member	Chang Zhi-Yuan	2	0	100	2023.06.26 New

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:

Dates	Content of Motion	Results of the meeting	The Company's Handling of the Opinions of the Salary and Compensation Committee
2023.03.14	• The distribution of employees' and directors' compensation for fiscal year 2022. • Amendment to the "Regulations Governing the Implementation of Employee Compensation" of the Company.	The case was approved as presented with no objection from the members present.	After the Remuneration Committee's deliberation, the contents of the report were submitted to the Board of Directors and approved by all the directors present.
2023.05.10	• The Company's 2022 Directors' Compensation Distribution.		
2023.08.11	• Amendments to the Company's "Rules Governing the Organization of the Salary and Compensation Committee". • Amendment to the Company's "Regulations Governing Salaries and Remuneration for Managers". • Retrospective recognition of the Company's Business Associate. • Retrospective recognition of the General Manager of Action.		
2023.12.19	• Appointment of the Company's General Manager. • The Company's Managerial Allocation of Employee Compensation for 2022. • Allocation to managers of subsidiaries to be rewarded for using funds with a return rate exceeding the target for fiscal year 2022. • Submission of "Application for post-collection bonus program for accounts receivable" by a subsidiary.		

Note:

(1) If a member of the Remuneration Committee leaves the Company prior to the end of the year, the date of departure shall be indicated in the Remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the actual attendance during the member's employment.

(2) Before the end of the year, if there is a re-election of the salary and Remuneration Committee, the new and old members of the salary and Remuneration Committee shall be filled in, and the date of the former, new or re-election and re-election of the member shall be indicated in the remark column. The actual attendance rate (%) is calculated based on the number of meetings of the salary and Remuneration Committee and their actual attendance during their employment.

3-4-5. Information on the members of the nomination committee and information on their operation: the company does not set up a nomination committee.

3-4-6、Fulfillment of ESG and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
1、Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		V	1. The Sustainability Committee of the Company is in the process of preparation and will be presented to the Board during the current year. 2. The company established the Foundation of Technology Culture and Education of Action to fulfill its corporate social responsibility and promote cultural and educational public welfare activities to give back to the society. In addition to the combination of technology and humanities, talent training, elite awards, care for disadvantaged groups, as well as the promotion of culture, education and public welfare activities. 3. Foundation is executed by the President and the Secretary to the President. Sponsor or promote various charity activities from time to time, and call on employees to participate together. 4. Public welfare activities: The health lectures to be held in 2023 include: "Western Medicine for Insomnia" by Dr. Chang Chia-Ming Chang of Lin Kou Chang Gung, "Common Orthopedic Diseases of Silver Hair" by Dr. Jung-Sen Yang of NTU Orthopaedics, and so on. The events" were well received by the audience, and the company will continue to hold various health lectures etc.	None
2、Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		I. The company upholds the business philosophy of "integrity, quality, service, innovation" and the principle of significance. While pursuing sustainable business and profitability, the company fulfills corporate social responsibility, attaches importance to the rights and interests of stakeholders, and pays attention to the environment, society and corporate governance. And incorporate them into the company’s management policies and operating activities to achieve the goal of sustainable operation.	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
3、Environmental issues （1）Does the company establish proper environmental management systems based on the characteristics of their industries? （2）Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V V		(I) The company's home appliance products are entrusted to logistics companies for delivery. In addition to the delivery timeliness, in order to effectively prevent and control environmental pollution, logistics companies are required to adhere to high-quality management models on KPI and SOP and pay attention to environmental cleanliness. (II) In recent years, energy shortage, man-made damage to the ecological environment and the carbonization of the earth have become increasingly serious. The Company continues to promote energy saving and carbon reduction measures to cope with the impact of environmental changes. 1.Introduction of energy-saving office equipment: Energy-saving and high-efficiency LED lighting fixtures are used, and heat-sensor lighting devices are installed in public areas and offices to effectively reduce electricity consumption. Air conditioning and lighting equipment are switched off daily at work and during lunch break to avoid unnecessary energy waste. 2.Resource Utilization and Recycling (1) Office resource reuse: The office can recycle and disassemble and reuse resources, including information computer equipment and parts, and give them to social welfare organizations for recycling to reduce ecological load. (2) Recycling of packaging materials and the use of green packaging materials, classified and managed according to the nature of packaging materials, the empty cartons after the incoming goods are also recycled for use in the outgoing packaging to reduce ecological damage to the environment.	None None
(3)Does the company evaluate the potential risks and	V		(III) The Company assesses the potential risks and opportunities of climate	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4）Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?		V	change for current and future businesses, and adopts climate-related issues response to reduce the risks in step-by-step improvements. (IV) In accordance with the sustainable development action plan for listed companies, the Company will disclose in 2026 information on the 2025 individual inventory of greenhouse gases of the parent company, in 2027 information on the 2026 inventory of greenhouse gases of the Consolidated Company, and in 2027 the greenhouse gases reduction targets, strategies, and specific action plans for the year 2026 as the base year. Currently, the measures for greenhouse gas emissions, water consumption, and total weight of waste are as follows: 1. Adjust the air conditioner and set the constant temperature at 26 degrees according to the season to reduce the electrical loading. The company colleagues can turn off the computer, air conditioner and lighting power at will. 2. All the office lighting use LED, which reduces the light heat and can achieve the purpose of energy saving. 3. Advocate employees to use the stairs frequently instead of elevators. 4. Water saving measures: The water supply device is equipped with a frequency converter to stabilize the water pressure, and the water saving valve is used to effectively reduce unnecessary water waste. 5. Others: Continue to promote the Online Document Management System, reduce the amount of paper used, and use more recycled paper.	None
4、Social issues	V		(I) The company complies with labor-related laws and regulations and follows international human rights conventions, and has working rules	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
（1）Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?			and related personnel management regulations, covering gender equality, working rights, and prohibition of any illegal discrimination and other human rights protection regulations.	
（2）Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		(II) The company has working rules and relevant personnel management regulations, which cover the basic wages, working hours, vacations, pension payments, labor and health insurance payments, occupational accident compensation, etc. of the employees hired by the company, all in compliance with the relevant provisions of the Labor Standards Law. Establish the Employee Welfare Committee which is operated by the elected employees to handle various welfare matters; the company's remuneration policy is based on personal ability and the performance to the company's contribution.	None
（3）Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(III) The company provides employees a safe and secure working environment, and does comply with relevant laws and regulations, including the "Labor Safety and Health Law" and "Firefighting Management Measures", etc., and formulates related work rules to prevent occupational disasters, The Company did not have any cases of occupational accidents or fires in 2023.; regularly (twice a year) hold the exercises of disaster emergency response according to fire control laws, handle all employees' health checks, and organize employee tours, etc. The company has set up an Employee Welfare Committee responsible for handling various welfare measures and subsidies for employees. The company also handles labor insurance, national health insurance and group insurance in accordance with the law to protect the rights and interests of employees and fully support the balanced development of their bodies, minds, and souls.	None
（4）Does the company provide its employees with career development and training sessions?	V		(IV) The company takes long-term talent cultivation as the key, and will plan and arrange various internal and external training programs based on organizational needs, departmental needs and individual needs of employees, to improve and update employees’ knowledge and skills, and to	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
			establish abundant human capital. The development of career ability, taking into account the cultivation of core professional ability and the balanced development of employees' body, mind, and soul.	
（5）Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(V) The Group's subsidiaries in Shenzhen and Malaysia are engaged in the production and manufacturing of automotive electronic products and have obtained ISO 9001, ISO 14000 and ISO 45001 certifications for corporate environmental management system and occupational safety and health management system. The production plants of production are operated according to the prescribed management system, which effectively improves the replacement and improvement of equipment, energy saving, and enhances the overall improvement energy. In order to protect the rights and interests of customers, the company has set up a maintenance service station contact window, an email address, and a stakeholder section to provide a channel for customers to enquire, complain or suggest factories, and the company upholds the principle of honesty and trust to handle and give feedback appropriately to protect the rights and interests of customers. There is also product liability insurance to protect consumer rights.	None
（6）Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(VI) The company has set up a "Supplier Control Procedure" for the management of suppliers, which focuses on ensuring quality and product safety, and conducts regular and irregular audits on all suppliers with transactions, quality management and hazardous substance management. Assess the environmental protection, safety and health management system and performance of important suppliers, and use the company’s	None

Evaluation Item	Implementation Status(Note1)			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Abstract Explant Item	
			influence to promote environmental protection and safety management on the company's major suppliers through the management of the supply chain to ensure that the suppliers comply with environmental protection, Safety and health related laws and regulations.	
5、Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate Sustainable Development reports? Do the reports above obtain assurance from a third party verification unit?	V		The "Sustainability Report" has been prepared in accordance with the Sustainability Reporting Standards issued by GRI, the Global Sustainability Reporting Initiative, and the foregoing report has not been confirmed or warranted by a third-party certifying entity.	None
6、Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:None				
7、Other useful information for explaining the status of corporate Sustainable Development practices:None				

Note 1:If the operational status is checked"Yes," please explain the important policies, strategies, measures and implementations adopted. If the operational status is checked "No," please explain the reasons and explain the plan to adopt related policies, strategies and measures in the future.

Note 2: The principle of materiality refers to those who have significant environmental, social and corporate governance issues that have a significant impact on the company's investors and other stakeholders

Note3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

3-4-6-2. Climate-related information:

Item	Enforcement situation
1. describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	In order to cope with the high degree of climate uncertainty and rapid changes in policies and markets, and to grasp and estimate the possible impacts of climate change in a timely manner, the Company convenes senior executives from various departments from time to time to identify major climate risks and opportunities. At the same time, we also further evaluate the risks that floods, droughts, typhoons and high temperatures may bring to each of our operating locations, so that we can grasp the climate changes in the

<table>
<tr><td>Item</td><td colspan="5">Enforcement situation</td></tr>
<tr><td></td><td colspan="5">external environment and market dynamics, and more comprehensively consider the overall strategic planning of our operations.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities will affect the business, strategy, and finances of the organization (short, medium, and long term).</td><td colspan="5">(1) Risks and opportunities:
<table>
<tr><td></td><td>Risk Categories and Opportunities</td><td>Short-term</td><td>Medium term</td><td>Long-term</td></tr>
<tr><td>Risk</td><td>Transformation Risks
Risks arising from focusing on the transition to a low carbon economy. Transformation risks include policy, legal, technology, market and reputational risks.</td><td>Total greenhouse gas control and carbon tax and fee.</td><td>• Changing consumer needs and preferences.
• Transition to low carbon, plastic reduction technologies.
• Increased regulation of renewable energy.
• Inadequate climate response, resulting in a decline in brand reputation.</td><td>Zero Net Emission Trend</td></tr>
<tr><td></td><td>Entity Risk
Immediate physical risks arise from weather-related events such as storms, floods, droughts or heat waves.</td><td>Extreme changes in weather patterns cause an increase in flooding and damage to our own operating assets.</td><td>Supply chain disruptions due to increased drought.</td><td>Average temperatures are rising.</td></tr>
<tr><td>Opportunities</td><td>Positive effects on</td><td>R&D and</td><td>R&D and innovation of</td><td>Enhance</td></tr>
</table></td></tr>
</table>

Item	Enforcement situation

	individuals due to climate change.	Innovation of New Low Carbon Products and Services	new low-carbon products and services.	corporate reputation.

(2)Risks and opportunities related to climate change that may have financial impacts, and strategies to address them：

Risk/Opportunity	Financial impact -/+	Response Strategy
R: Total Greenhouse Gas Control and Carbon Tax and Fee R: New Renewable Energy Regulations	-Increased operating costs due to carbon fee. -Increase in operating costs due to the purchase of renewable energy power certificates. -Increase in operating costs due to fines for non-compliance with regulations.	•Strengthen green R&D and innovation. •Improve energy efficiency and invest in green energy equipment.
R: Changing Consumer Demands and Preferences O: R&D and Innovation of New Low Carbon Products and Services	-Lower sales in the market, resulting in lower revenue(R). + Increase the sales ratio of low-carbon products, which in turn increases revenue (O).	•Continuous investment in research and development of low-carbon products. •Use of raw materials with low carbon footprint and reconfiguration of product ingredients. •Innovative research and development of green products.

<table>
<tr><td>Item</td><td colspan="3">Enforcement situation</td></tr>
<tr><td></td><td>R: Increased flooding due to extreme changes in climate patterns
R: Supply chain disruption (drought)</td><td>-Decrease in revenue due to downtime at operating sites.
-Loss of property due to damage to machinery and equipment.
-Increase in operating costs due to higher raw material prices.
-Decrease in revenue due to lower product output.</td><td>•Assess the risk of flooding at production sites and implement risk mitigation measures.
•Develop alternative raw materials.
•Find suppliers in other regions.</td></tr>
<tr><td>3. Describe the financial impacts of extreme climate events and restructuring actions.</td><td colspan="3"><u>Financial Impact of Extreme Climate Events</u>
Through internal discussions and evaluations, the Company has identified floods and droughts, which are extreme changes in weather patterns that have potential risks to production. Flooding caused by heavy rainfall may result in the suspension of work at operation sites and equipment damage resulting in the temporary inability to deliver goods; while drought and water shortage may affect the normal operation of production lines, and in times of water shortage, it is necessary to maintain the supply of goods by lowering the amount of water used and dispatching goods to other factories, which may result in an increase in operating costs.

<u>Financial Impact of Transformation Actions</u>
The transition to a low-carbon economy may be subject to a wide range of policy and regulatory, technological and market changes. As a result, carbon fee and GHG emissions controls, renewable energy regulations, and changes in consumer preferences may increase operating costs or reduce sales.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</td><td colspan="3">The Board of Directors is the highest decision-making unit for risk control, directly supervising the Company's risk management and convening senior executives from various departments from time to time to identify major climate risks.</td></tr>
<tr><td>5. If scenario analysis is used to assess the resilience to climate</td><td colspan="3">The company will cooperate with the laws and regulations, and gradually carry out the related planning.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Enforcement situation</th></tr>
<tr><td>change risk, the scenarios, parameters, assumptions, factors analyzed, and major financial impacts should be described.</td><td></td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, as well as the metrics and objectives used to identify and manage physical and transition risks.</td><td>The company will cooperate with the laws and regulations, and gradually carry out the related planning.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.</td><td>The company will cooperate with the laws and regulations, and gradually carry out the related planning.</td></tr>
<tr><td>8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each year should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and amount of carbon reduction credits or the amount of renewable energy certificates (RECs) offset should be stated.</td><td>The Company operates in an environmentally friendly and sustainable manner, contributing to a sustainable environment through energy management, green products, water resource management, and waste management, with the following goals for energy management and green products:
<table>
<tr><th></th><th>energy management</th><th>Green Products</th></tr>
<tr><td>Short-term objectives</td><td>1. Establish a complete energy management system, energy statistics, monitoring, analysis and evaluation.
2. Determine the key projects of energy saving and consumption reduction, and formulate corresponding measures and plans.
3. Enhance staff training to improve energy management awareness and skills.
4. Reduce energy waste and loss, and lower energy costs.</td><td>1. To establish standards for the development and production of green products, and to formulate corresponding measures and plans.
2. Increase the variety and scale of green products to meet market demand.
3. Enhance product life cycle management to realize green design, green production, green use and green recycling of products.</td></tr>
</table></td></tr>
</table>

Item	Enforcement situation		
			4. Promote green products and enhance consumer awareness and recognition of green products.
	Medium and Long Term Goals	1. Improve the efficiency of energy utilization, realize energy saving and green production. 2. Reduce the emission of carbon dioxide and other greenhouse gases to protect the environment and ecology. 3. Realize the informationization and intelligence of energy management, and improve the efficiency of energy management. 4. Promote energy-saving technologies and products to facilitate energy conservation and green development. 5.To establish a good social image and reputation and become a sustainable enterprise.	1. Improve the technical content and quality of green products, and realize the optimization and upgrading of products. 2. Promote the construction of industrial ecology to realize the greening of the whole process from raw materials to products to recycling. 3. Strengthening international cooperation, learning and borrowing from advanced international experience to enhance the international competitiveness of green products. 4. Promote sustainable development and realize the coordinated development of economy, society and environment.
9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Action Plans (also fill in 1-1	In accordance with the action plan for sustainable development of listed companies, the Company will disclose in 2026 the information on the individual inventory of greenhouse gases of the parent company in 2025, the information on the inventory of greenhouse gases of the Consolidated Company in 2026 in 2027, and the greenhouse gas reduction targets, strategies, and specific action plans for the year 2026 as the base		

Item	Enforcement situation
and 1-2).	year in 2027.

3-4-7 The implementation status of integrity management and the differences and reasons for the integrity management code of listed companies

Evaluation Items	Operation status (Note 1)			**The differences and reasons for the integrity management code of listed companies**
	Yes	No	Summary description	
I. Formulate integrity operation policies and projects (I) Does the company formulate an integrity operation policy approved by the board of directors, and clearly specify the integrity operation policy and practice in regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?	V		(I) The company has not formulated the "Code of Integrity Operation". The company's business philosophy and policy: with "The six spirits of enthusiasm, character, service, action, innovation, and return, etc; the definition is full of ideas, love for work, self-discipline, rigorous pursuit of truth and perfect, achieve work goals whatever they set, consistent with words and deeds, and don't make excessive promises; face problems bravely, don't make false or untrue explanations or prevarication; abide by company regulations and social norms, and handle internal and external relations with high ethical standards." Integrity management Philosophy, senior management and the board of directors are responsible for supervision to create a sustainable business environment for the company.	No significant difference
(II) Whether the company has established a risk assessment mechanism for dishonest conduct, regularly analyzes and evaluates business activities with a higher risk of dishonest conduct in the business scope, and formulates a plan to prevent dishonest conduct, and at least covers the precautionary measures for each action in the second paragraph of Article 7 of the "Code of Corporate Integrity Management applied on the listed IPO and OTC corporate"?	V		(II) The "Code of Ethical Conduct" formulated by the company requires that the ethical behavior of directors and managers prevent conflicts of interest, avoid opportunities for personal gain, confidentiality obligations, fair transactions, protect and appropriately use company assets, comply with laws and regulations, and encourage reporting any illegal or violation of the code of ethical conduct, disciplinary measures, etc., directors and managers lead all staff to implement relevant regulations and regularly review the implementation status to implement the integrity management policy.	No significant difference
(III) Have the company set up operating procedures, behavior guidelines, punishment and appeal systems for violations in the plan to prevent dishonest behaviors, and implement thouroughly, and regularly review the plan before revision?	V		(III) The company is committed to the establishment of corporate ethics and professional ethics, conceives for each other, creates a harmonious labor-management relationship with empathy, communicates labor-management opinions, formulates management methods and operating standards, and handles the dissatisfaction of relevant employees with punishment, improper management, suggestions and complaints of violations of relevant labor laws and regulations. In addition, employee's opinion box is set up to collect employee suggestions, expand communication, and safeguard the legitimate rights and interests of labor dispute parties based on the principles of legality,	No significant difference

Evaluation Items	Operation status (Note 1)			The differences and reasons for the integrity management code of listed companies
	Yes	No	Summary description	
			fairness, and timely handling.	
II. Implementing integrity management (1) Does the company assess the integrity records of its counterparties and specify the integrity behavior clauses in the contracts signed with the counterparties? (II) Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors regarding the integrity management policies, plans for preventing dishonest behavior, and supervision and implementation? (III) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for appeal, and implement them thoroughly? (IV) Whether the company has established an effective accounting system and internal control system for the implementation of integrity operation, and the internal audit unit draws up relevant audit plans based on the assessment results of the risk of dishonest behaviors, and checks the compliance situation of the plan for preventing dishonest behaviors accordingly, or entrust an accountant to perform the audit? (V) Does the company regularly organize internal and external education and training on integrity management?	V V V V V	V	(1) The contracts signed by the company and counterparties for transaction are based on the principle of good faith. If there is any violation, the agreement will ask the manufacturer to compensate for punitive liquidated damages. (II) The company haven't set up a sepcial unit but has professional managers to perform their duties as authorized, and has established a code of conduct for employees to implement the requirements of integrity operation, and the management team regularly reports the implementation status to the board of directors. (III) For those who possesse interests and rights are dealing with the business, must inform the supervisors and avoid improper personal gain in advance to prevent conflicts of interest; when a board meeting has a conflict of interest with the directors, the directors shall withdraw from the meeting and not participate in the discussion and voting in accordance with the law. (IV) The company's accounting system is based on the Company Law, Securities Exchange Law, Commercial Accounting Law, securities issuer financial statement preparation standards and other relevant laws and regulations, and is formulated according to the actual situation of the company's business; the internal control system are formulated and implemented in accordance with the "processing guidelines of "The public offering company establishes internal control system " and other relevant regulations. The audit department of the board of directors also regularly checks the compliance of the accounting system and internal control system, and reports to the board of directors on a regular basis. (V) Organize education, training and publicity for employees to fully understand the company's determination, policies, prevention plans, and the consequences of violations of integrity. And formulate employee grievance management methods to ensure communication between employees and the company, and establish a harmonious labor relations, and build consensus.	No significant difference
III. The operation of the company's whistleblowing system (I) Does the company formulate a specific whistleblowing and reward system, and establish a convenient reporting channel, and assign appropriate acceptance personnel to the reported object? (II) Has the company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the investigation is completed, and related	V V V		(I) The operation of the company has always been carried out in a fair, just and open manner. If there is any problem, it can be reported to the supervisor directly by mail, telephone or directly. (II) The company adopts a confidentiality mechanism for the identity of the whistleblower and the unit that accepts the content of the report.	No difference

Evaluation Items	Operation status (Note 1)			The differences and reasons for the integrity management code of listed companies
	Yes	No	Summary description	
confidentiality mechanisms? (III) Does the company take measures to protect the whistleblower from being improperly treated as a result of the report?			(III) The company's measures to prevent the whistleblower from being improperly treated as a result of the report.	
IV. Strengthen information disclosure Does the company disclose the content and promotion effect of its code of integrity management on its website and Market Observation Post System (MOPS)?	V		At present, relevant information is disclosed on the public information platform of the Securities and Futures Bureau, and relevant information is disclosed according to laws and regulations.	No difference
V. If the company has its own code of integrity management based on the "Code of Integrity Management of Listed Companies", please state the difference between its operation and the code: The company has not yet formulated a code of integrity management, but there is no significant difference in the implementation of its business philosophy and policies in accordance with relevant regulations.				
VI. Other important information that helps to understand the company's integrity management operations: (such as the company's review and revision of the integrity management code, etc.): None				

Note: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

3-4-8、 If the company has formulated corporate governance codes and related regulations, it should disclose its inquiry methods:

The company has a public website. Under the project of the investor area on the webpage, there is a special area for corporate governance, and the "Articles of Association", "Ethical Standards of Conduct for Directors, Supervisors and Managers", "Endorsement Guarantee Measures", and "Fund Loan" "Procedures for working with others", "procedures for acquiring or disposing of assets", "Internal major information processing and management procedures for preventing insider trading" etc., are available for reference by the investing public and insiders.

3-4-9、Other important information that is sufficient to enhance the understanding of the company's governance and operation conditions must be disclosed together:

None。

3-4-10、、Training and development status of directors, independent directors, and accounting officers:

Title	Name	Date of Appointment	Organizer	Course Name	Training Hours
Chairperson	Peng Ting-Yu	2023.09.28	Taiwan Institute of Directors	Key Considerations for Enterprise Transformation Strategies Beyond	3

Title	Name	Date of Appointment	Organizer	Course Name	Training Hours
				Organizational Structures	
Director	Peng Chiun-Ping	2023.09.13	Taiwan Corporate Governance Association	New Corporate Governance and ESG Initiatives	3
Director	Liu Chiu-Chi	2023.09.13	Taiwan Corporate Governance Association	New Corporate Governance and ESG Initiatives	3
Director	Yeh Li-Wei	2023.09.13 2023.09.28 2023.11.29	Taiwan Corporate Governance Association Taiwan Institute of Directors Securities & Futures Institute	New Corporate Governance and ESG Initiatives Key Considerations for Enterprise Transformation Strategies Beyond Organizational Structures 2023 Internal Stakeholder Equity Trading Compliance Seminar	9
Director	Peng Hsiu-Yun	2023.09.13	Taiwan Corporate Governance Association	New Corporate Governance and ESG Initiatives	3
Director	Wen Yu-Mei	2023.09.13	Taiwan Corporate Governance Association	New Corporate Governance and ESG Initiatives	3
Director	Chao Teng-Pang	2023.06.07 2023.09.28	Taiwan Institute of Directors	The Future of Enterprises in Conflict: Strategic Shifts & Transformations Key Considerations for Enterprise Transformation Strategies Beyond Organizational Structures	6

Title	Name	Date of Appointment	Organizer	Course Name	Training Hours
Juridical Person Director Representative	Tsai Jin-Wan	2023.07.12 2023.08.09 2023.09.28	Greater China Financial and Economic Development Association Taiwan Institute of Directors	AI Mindset and Digital Transformation Impact of Carbon Pricing on Business Operations Key Considerations for Enterprise Transformation Strategies Beyond Organizational Structures	9
Independent Director	Yen Tzong-Ming	2023.09.13 2023.09.28	Taiwan Corporate Governance Association Taiwan Institute of Directors	New Corporate Governance and ESG Initiatives Key Considerations for Enterprise Transformation Strategies Beyond Organizational Structures	6
Independent Director	Tang Peng-Chin	2023.04.13 2023.06.07	Taiwan Institute of Directors	2023 KPMG Leadership Academy Forum - Opportunities and Challenges in the Net Zero Era The Future of Enterprises in Conflict: Strategic Shifts & Transformations	6
Independent Director	Chang Zhi-Yuan	2023.09.13 2023.09.28	Taiwan Corporate Governance Association Taiwan Institute of Directors	New Corporate Governance and ESG Initiatives Key Considerations for Enterprise Transformation Strategies Beyond Organizational Structures	6
Chief Governance Officer	Chelsea Chen	2023.09.13 2023.09.28 2023.12.14	Taiwan Corporate Governance Association Taiwan Institute of Directors Securities & Futures Institute	New Corporate Governance and ESG Initiatives Key Considerations for Enterprise Transformation Strategies Beyond	12

Title	Name	Date of Appointment	Organizer	Course Name	Training Hours
				Organizational Structures Key Points in Corporate Governance Evaluation for Directors and Supervisors Challenges and Opportunities in Sustainable Development Paths and an Introduction to Greenhouse Gas Assessment	
Chief Accounting Officer	May Huang	2023.11.28~ 2023.11.29	Accounting Research and Development Foundation	Ongoing Training Program for Issuers, Securities Firms, and Stock Exchange Accounting Officers	12

3-4-11、 Matters that should be disclosed in the implementation of the internal control system:

1. Statement of Internal Control

Action Electronics Co., Ltd.
Declaration of Internal Control System

Date: March 12, 2024

Based on the results of self-check on the internal control system of the company in 2023, we hereby declare as follows:

I. The company is sure that the establishment, implementation and maintenance of the internal control system is the responsibility for board of directors of the company and managers, and the company has established this system. Its purpose is to achieve the objectives of operation effectiveness and efficiency (including profit, performance and asset safety, etc.), reporting reliability, timeliness, transparency, compliance with relevant laws and regulations, and provide reasonability to ensure.

II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable guarantee for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a self-monitoring mechanism. Once the defect is identified, the company will take corrective action.

III. The company judges whether the design and implementation of the internal control system are effective in accordance with the judgment items of the effectiveness of the internal control system stipulated in the "Handling Guidelines for the Establishment of an Internal Control System by Public Offering Companies" (hereinafter referred to as the "Handling Guidelines"). The judgment items of the internal control system adopted in the "processing criteria" are based on the process of management control, which divides the internal control system into five components: 1. control environment, 2. risk assessment, 3. control operations, 4. Information and communication, and 5. Supervision. Each component includes several items. For the aforementioned items, please refer to the "Handling Guidelines".

IV. The company has adopted the above-mentioned internal control system judgment items to check the effectiveness of the design and implementation of the internal control system.

V. Based on the inspection results of the preceding paragraph, the company believes that the company's internal control system (including supervision and management for subsidiaries) as of December 31, 2023, includes understanding the effectiveness of operations and the extent to which the efficiency targets are achieved. The design and implementation of the internal control system that reporting is reliable, timely, transparent and complied with relevant laws and regulations are effective, which can reasonably ensure the achievement of the above objectives.

VI. This statement will become the main content of the company's annual report and public prospectus, and will be published. If there are false or concealed content in the above disclosure, it will involve legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities Exchange Law.

VII. This statement was approved by the company's board of directors on March 12, 2024. Among the 11 directors present, 0 of them held objections, and all of them agreed with the content of this statement and made this statement.

Action Electronics Co., Ltd

Chairman of the board：Peng,Ting Yu

General Manager：Peng Hsiu-Yun

2. If an accountant is entrusted to review the internal control system, the accountant's review report shall be disclosed: none.

3-4-12、 In the most recent year and as of the publication date of the annual report, the company and its internal personnel have been punished in accordance with the law, the company has imposed penalties on its internal personnel for violating the provisions of the internal control system, and if the results of the penalties may have a significant impact on the rights and interests of shareholders and the price of securities, the content of the punishment, main deficiencies and improvements shall be listed: none.

3-4-13、 Important resolutions of the shareholders meeting and board of directors in the most recent year and as of the printing date of the annual report:

1. (1) Important Resolutions of the Annual General Meeting of Shareholders

Date	Important Resolutions	Status
2023.06.26	Approval of the 2022 Business Report and Financial Statements.	Approved according to the original motion.
	Approval of the 2022 Profit Distribution Plan.	Cash dividends will be distributed on August 15, 2023.
	Amendment Proposal to the "Articles of Incorporation".	Approved by the Ministry of Economic Affairs for registration on July 19, 2023.
	Amendment Proposal to the "Regulations of Director Election".	Conducted in accordance with the amended regulations.
	Amendment Proposal to the "Regulations of Asset Acquisition or Disposal".	Conducted in accordance with the amended regulations.
	Director Election Proposal.	The election of 11 directors (including 3 independent directors) has been approved by the Ministry of Economic Affairs for registration on July 19, 2023.
	Proposal to Lift Restrictions on Newly Appointed Directors and their Representatives' Competition.	Approved according to the original motion.

2.Important resolutions of the board of directors

Date	Name of the meeting	Important Resolutions
2023.2.16	1st Board Meeting in 2023	1. Matters concerning the convening of the 2023 Shareholders' Meeting for the Company. 2. The Company will undergo a full-scale director election.
2023.3.14	2nd Board Meeting in 2023	1.Proposal for the approval of the 2022 Business Report, consolidated financial statements, and individual financial statements for the Company. 2. Proposal for the 2022 distribution of profits for the Company. 3. Proposal for the 2022 distribution of employee compensation and director remuneration for the Company. 4. Amendment proposal to the "Articles of Incorporation" of the Company. 5. Amendment proposal to the "Regulations of Director Election" of the Company. 6. Amendment proposal to revise the agenda for the convening of the 2023 shareholders' meeting for the Company. 7. Nomination and review of the list of director and independent director candidates for the Company. 8. Proposal to lift restrictions on newly appointed directors and their representatives' competition for the Company. 9. Amendment proposal to the "Regulations of Employee Compensation Implementation" of the Company. 10. Regular assessment of the independence and suitability of the visa accountant for the Company. 11. Extension proposal for bank financing for the first half of 2023 for the Company. 12. Loan proposal to subsidiary "Far Year Construction Co., Ltd." by the Company. 13. Amendment proposal to the "Regulations of Asset Acquisition or Disposal" of the Company. 14. Amendment proposal to the "Internal Control System" and "Internal Audit Implementation Regulations" of the Company. 15. 2022 "Internal Control System Declaration" for the Company.
Date	Name of the meeting	Important Resolutions
2023.05.10	3rd Board Meeting in 2023	1. Amendment proposal to the "Articles of Incorporation" of the Company. 2. Proposal to engage PwC Taiwan for auditing the financial statements of all parent and subsidiary companies in the Group for 2023, and evaluation of the accountants'

		independence and suitability. 3. Proposal for the 2022 distribution of director remuneration for the Company.
2023.06.26	4th Board Meeting in 2023	1. Proposal for the election of the chairman of the Company's board of directors. 2. Proposal for the appointment of members to the Company's 5th Compensation Committee.
2023.08.11	5th Board Meeting in 2023	1. Amendment proposal to the Company's "Compensation Committee Charter." 2. Amendment proposal to the "managerial compensation regulations" of the Company. 3. Ratification proposal for the appointment of the Company's Associate Vice President. 4. Ratification proposal for the appointment of the General Manager of our subsidiary, Action Asia. 5. Extension proposal for bank financing for the second half of 2023 for the Company. 6. Proposal for the Company to apply for a three-year NT$200 million credit facility from Chang Hwa Bank. 7. Proposal to terminate the Company's "Regulations for the Custody and Use of Notes and Passbooks."
2023.11.10	6th Board Meeting in 2023	1. Amendment proposal to the Company's "Regulations for Management of Checks, Passbooks, and Corporate Online Banking." 2. Proposal for the 2024 Audit Plan. 3. Amendment Proposal to the Company's "Procedures and Methods for Self-assessment of the Internal Control System."
2023.12.19	7th Board Meeting in 2023	1. Proposal for the appointment and compensation package for the Company's General Manager. 2. Proposal for the 2022 allocation of employee compensation to managers for the Company. 3. Proposal for 2022 distributing performance bonuses to subsidiary managers for exceeding targeted return on funds. 4. Proposal from the subsidiary concerning the "Application for Bonuses Related to Accounts Receivable Collection."
2024.03.12	1st Board Meeting in 2024	1. Proposal for the approval of the 2023 Business Report, consolidated financial statements, and individual financial statements for the Company. 2. Proposal for the 2023 distribution of profits for the Company. 3. Proposal for the 2022 distribution of employee compensation and director remuneration for the Company. 4. Matters concerning the convening of the 2024 Shareholders' Meeting for the Company. 5. Proposal for the 2024 Business Plan for the Company. 6. Proposal for the appointment and removal of the Company's spokesperson. 7. Extension proposal for bank financing for the first half of 2024 for the Company. 8. Loan proposal to subsidiary "Far Year Construction Co., Ltd." by the Company. 9. Ratification proposal for the appointment of the General Manager of subsidiary Action Asia (Shenzhen) Co., Ltd. 10. 2023 "Internal Control System Declaration" for the Company.
2024.05.10	2nd Board Meeting 2024	1) The Company's 2024 proposal to appoint a CPA firm to audit the financial statements of its parent and subsidiaries and to assess the independence and appropriateness of its accountants. 2. amendments to the "Rules and Regulations Governing the Organization of the Audit Committee" of the Company. 3. amendments to the "Rules and Regulations Governing the Organization of the Board of Directors and the Functional Committee" of the Company. 3. amendments to the "Regulations Governing the Payment of Remuneration to Directors and Functional Committees of the Company. 4. Appointment of the Company's head of audit.

3-4-14、 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the recent years and as of the date of printing of Annual report: None

3-4-15、Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D in the recent years and as of the date of printing of Annual report:

Resignation and dismissal of relevant persons of the company

2024/05/10

Title	name	date of appointment	date of dismissal	reason for resignation or dismissal

Vice GM	Chou, Hui-Yu	2022/04/01	2024/01/31	Resign

3-5、Information Regarding Independent Auditor:

3-5-1、CPA's Fee

Unit：NT$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note 2)	Total	Remark
PricewaterhouseCooper Taiwan	Lin Yahui Wu Hanqi	2023.01.01~ 2023.12.31	5,500	1,050	6,550	

Note1 : If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason in the remark column: None.

Note 2: Non-audit public expenses are Cross-strait consulting service fee NTD 250 thousand, tax visa NTD 750 thousand and other NTD 50 thousand.

3-5-2、If the CPA Firm Changes, and the Audit Fee Paid in the Year of such Change Is Reduced from the Audit Fee of the Previous Year, the Amounts of the Audit Fees Before and After such Change and the Reason of such Change Should Be Disclosed: None

3-5-3、If the Audit Fee Is Reduced by More than 15% from Last Year, the Amount, Ratio, and Reason for the Reduction of the Audit Fee Should Be Disclosed: None

3-6、 Replacement of CPA: None.

3-7、The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2022.

3-8、Status of Transfer of Stock and Changes in Equity Pledge of Directors, Supervisors, Managers and Shareholders Holding More Than 10% of Shares in the Latest Year and as of the Date of Printing of Annual Report::

(1) Changes in shareholding by Directors, Supervisors, Management team and major shareholders

Unit：Share

Title（Note1）	Name	2023		As of 5.10.2024	
		Net Change in shareholding	Net Change in shares pledged	Net Change in shareholding	Net Change in shares pledged

Chairmann d General Manager	Peng, Ting-Yu	0	0	0	0
Director	Peng, Chiun-Ping	0	0	0	0
Director	Chao, Teng-Pang	0	0	0	0
Director	Liu, Chiu-Chi	160,000	0	0	0
Director	Peng Hsiu-Yun	0	0	0	0
Director	Wen, Yu Mei	(5000)	0	0	0
Director	Shin Chuan Yuan Investment Co.,Ltd Representive: Tsai, Jin Wan	0 0	0 0	0 0	0 0
Director	Yeh Li-Wei	0	0	0	0
Independe nt Director	Tang, Peng-Chin	0	0	0	0
Independe nt Director	Chang Zhi-Yuan	0	0	0	0
Independe nt Director	Yen, Tzong-Ming	0	0	0	0
VP	Peng, Bo-Zhang	0	0	0	0
Business Associate	Weng Ming-Hua	0	0	0	0
Accounting Officer	May Huang	0	0	0	0
Financial Officer	Vincent Weng	0	0	0	0
Head of Corporate Governanc e	Chelsea Chen	0	0	0	0

Note1：Shareholders who hold more than 10% of the Company's shares are major shareholders. List separately

Note2：Shares trading or shares pledged with the related parties shall fill in the table as follow

(2)Sares Trading with the related Parties

1. The equity transfer of the company, directors, and supervisors is done in the market, and there is no relationship with the counterparty of the equity transfer.

2. The company has no shareholders who hold more than 10% of the shares.

(3)Shares Pledged with the Related Parties

1. The pledge of equity of the company, directors and supervisors; as of May 10, 2024, Director Liu,Chiu-Chi the pledge of equity was 2,100,000 Share.

2. Shareholders who hold more than 10% of the company's shares; none.

3-9、Relationship among The Company's Top 10 Shareholders:

16.04.2024

Unit：Share；%

Name（Note1）	Shares Held		Share Helds By Spouse & Minor		Shares Held in the name of others		Relationship between the Company's top 10 shareholders who are either related parties,spouse,relatives within the second degree of Kinship.His/her/its name and relationship (Note3）		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Peng Chiun-Ping	20,689,303	7.46	5,187,000	1.87	—	—	Lee,Li Peng Ting-Yu TA PO Investment Limited Representative Peng, Bo-Zhang	Spouse Father& Daughter father & son	
TA PO Investment Limited Representive:Peng, Bo-Zhang	15,420,000	5.56	—	—	—	—	Peng Chiun-Ping Lee,Li Peng Ting-Yu	Father and Son mother and son Sister and Brother	
Hsu,Jin-Zhi	6,000,000	2.16	—	–	–	–	–	–	
Lee,Li	5,187,000	1.87	20,689,303	7.46	–	—	Peng Chiun-Ping Peng Ting-Yu TA PO Investment Limited Representive :Peng, Bo-Zhang	Spouse Mother& Daughter Mother& Son	
Liu, Chiu-Chi	5,101,000	1.84	3,043,000	1.13	—	—	Liu Kuan-bai	Father & Son	
Rechi Investment Co.,Ltd	4,548,718	1.64	Not applicable	Not applicable	—	—	—	—	
Peng, Ting-Yu	4,331,983	1.56	—	—	—	—	Peng Chiun-Ping Lee,Li TA PO Investment LimitedTai Pak Investment Co. Representative Pang Pak CheungPeng, Bo-Zhang	Father& Daughter Mother& Daughter Sister &Brother	
Liu Kuan-bai	3,474,000	1.25	—	—	—	—	Liu, Chiu-Chi	Father & Son	
JPMorgan Chase Bank, JPMorgan Chase Bank, JP Morgan Securities Co., Ltd. investment account	3,312,000	1.19	Not applicable	Not applicable	—	—	—	—	
Mizuho Securities Co., Ltd. investment account held in trust by Standard Chartered International Commercial Bank, Limited	2,511,000	0.91	Not applicable	Not applicable	—	—	—	—	

Notes1: List all shareholders who ranks top 10 in shareholding and specify the names of institutions and representive separately

Note2：The shareholding refers to total shares hold by in person, spouse, minors or in somesone else's name

Note3：According to Regulations Governing the Preparation of Financial Report by Securitits Issuers, the relationships among the shareholders as disclosed before including judicial persons and nature persons shall be disclosed

3-10、Share Held by the Company,Directors,Supervisors,Mangers and Companies Directly or Indirectly Controlled by the Company and the Comprehensive Shareholding ratio based on Combined Calculation:

Comprehensive shareholding ratio

December 31, 2023; Unit: Shares

Long-term Investments（Note）	Ownership by The Company		Ownersship by Directors,Supervisiors ,Managers directly/indirectly owned subsidiaries		Total ownership	
	Shares	%	Shares	%	Shares	%
ACTION ASIA LIMITED	149,511,976	61.54%	93,452,231	38.46%	242,964,207	100.00%
ACTION ASIAINVESTMENT LIMITED			1	100.00 %	1	100.00%
ACTION INDUSTRIES (M) SDN. BHD.	-	-	-	100.00 %	-	100.00%
ACTION-TEK SDN. BHD.				100.00 %		100.00%
SHANGHAI ACTION TECHNOLOGY CO.,LTD	-	-	-	100.00 %	-	100.00%
Shanghai Yige Trading Co., Ltd.	-	-	-	100.00 %	-	100.00%
ACTION ASIA (SHENZHEN) CO., LTD	-	-	-	100.00 %	-	100.00%
DEDE TECHNOLOGY (SHENZHEN)CO.,LTD	-	-	-	40.00%	-	40.00%
Action Intelligent (Shenzhen) Co.,Ltd	-	-	-	100.00 %	-	100.00%
ASD ELECTRONICS LIMITED	-	-	-	100.00 %	-	100.00%
ALMOND GARDEN CORP.	14,500,000	100.00%	-	-	14,500,000	100.00%
Far Year Construction Co.,Ltd	20,000,000	100.00%			20,000,000	100.00 %
REALISE TECH-SERVICE.,LTD	6,000,000	100.00%	0	0	6,000,000	100.00 %

Note1: The companies in above table are the investee companies under equity method, and shares of overseas investee companies were the same as the amount of their paid-in capital

Note2: Continental Limited, no number of shares.

Ⅳ、Capital and Shares

4-1-1Capitalization

1.Sources of Capital

April 16, 2024
Unit:NTD.,share

Month / Year	Par Value (NT$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital		CapitalIncreased by Assets Other than Cash	Other
						Sources of Capital	Amount(NT$)		
65.07	1,000	3,000	3,000,000	2,500	2,500,000	Cash investment	2,500,000	None	None
66	1,000	8,000	8,000,000	5,000	5,000,000	Cash increase	2,500,000	None	None
67	1,000	8,000	8,000,000	7,500	7,500,000	Cash increase	2,500,000	None	None
68	1,000	12,000	12,000,000	12,000	12,000,000	Cash increase	3,000,000	None	None
						Shares of retained earning	1,500,000	None	None
69	10	2,000,000	20,000,000	1,800,000	18,000,000	Cash increase	6,000,000	None	None
70	10	5,000,000	50,000,000	2,800,000	28,000,000	Cash increase	10,000,000	None	None
71	10	5,000,000	50,000,000	4,500,000	45,000,000	Cash increase	11,960,000	None	None
						Transfer of capital reserve to new shares	5,040,000	None	None
73	10	8,000,000	80,000,000	6,000,000	60,000,000	Cash increase	5,550,000	None	None
						Shares of retained earning	9,450,000	None	None
75	10	10,000,000	100,000,000	8,000,000	80,000,000	Cash increase	14,000,000	None	None
						Shares of retained earning	6,000,000	None	None
76	10	20,000,000	200,000,000	13,400,000	134,000,000	Cash increase	54,000,000	None	None
77.07	10	20,000,000	200,000,000	18,400,000	184,000,000	Cash increase	33,950,000	None	None
						Shares of retained earning	16,050,000	None	None
79.09	10	60,000,000	600,000,000	35,000,000	350,000,000	Cash increase	116,320,000	None	None
						Shares of retained earning	19,890,000		
						Transfer of capital reserve to new shares	29,790,000		
81.12	10	60,000,000	600,000,000	43,950,000	439,500,000	Shares of retained earning	52,500,000	None	None
						Transfer of capital reserve to new shares	35,000,000		
						Transfer of employee dividends to new shares	2,000,000		

As of 04/16/2024
Unit:NTD.,share

Month / Year	Par Value (NT$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Amount (NT$)	Capital Increased by Assets Other than Cash	Other
82.08	10	60,000,000	600,000,000	50,403,000	504,030,000	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	43,950,000 17,580,000 3,000,000	None None None	None None None
83.09	10	60,000,000	600,000,000	58,300,000	583,000,000	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	50,403,000 25,201,500 3,365,500	None None None	None None None
84.07	10	60,000,000	600,000,000	59,990,700	599,907,000	Shares of retained earning Transfer of capital reserve to new shares	9,911,000 6,996,000	None	None
85.07	10	70,000,000	700,000,000	62,990,235	629,902,350	Shares of retained earning	29,995,350	None	None
86.07	10	73,000,000	730,000,000	70,933,027	709,330,270	Shares of retained earning Transfer of employee dividends to new shares	75,588,280 3,839,640	None	None
87.10	10	150,000,000	1,500,000,000	107,000,000	1,070,000,000	Cash increase Shares of retained earning Transfer of employee dividends to new shares	256,380,000 99,306,230 4,983,500	None	None
88.08	10	150,000,000	1,500,000,000	116,991,000	1,169,910,000	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	74,900,000 3,610,000 21,400,000	None	None
89.07	10	150,000,000	1,500,000,000	135,280,950	1,352,809,500	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	81,893,700 7,413,000 93,592,800	None	None
90.07	10	150,000,000	1,500,000,000	146,169,350	1,461,693,500	Shares of retained earning Transfer of employee dividends to new shares Transfer of capital reserve to new shares	38,484,000 6,259,000 64,141,000	None	None
91.08	10	240,000,000	2,400,000,000	158,443,197	1,584,431,970	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	78,887,665 43,850,805 5,802,990	None	None
92.07	10	240,000,000	2,400,000,000	193,106,403	1,931,064,030	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	237,664,800 79,221,600 29,745,660	None	None
92.11	10	240,000,000	2,400,000,000	199,883,616	1,998,836,160	Domestic Unsecured Corporate Bonds into new shares	67,772,130	None	None

April 16, 2024

Unit:NTD.,share

Month / Year	Par Value (NT$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Amount (NT$)	Capital Increased by Assets Other than Cash	Other
93.02	10	240,000,000	2,400,000,000	212,169,837	2,121,698,370	Domestic Unsecured Corporate Bonds into new share	122,862,210	None	None
93.05	10	240,000,000	2,400,000,000	214,401,612	2,144,016,120	Domestic Unsecured Corporate Bonds into new share	22,317,750	None	None
93.08	10	240,000,000	2,400,000,000	215,306,154	2,153,061,540	Domestic Unsecured Corporate Bonds into new share	9,045,750	None	None
93.10	10	450,000,000	4,500,000,000	246,506,069	2,465,060,690	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	169,735,870 106,084,920 36,178,360	None	None
93.12	10	450,000,000	4,500,000,000	246,818,568	2,468,185,680	Domestic Unsecured Corporate Bonds into new share	3,124,990	None	None
94.02	10	450,000,000	4,500,000,000	247,266,481	2,472,664,810	Domestic Unsecured Corporate Bonds into new share	4,479,130	None	None
94.05	10	450,000,000	4,500,000,000	279,870,183	2,798,701,830	Domestic Unsecured Corporate Bonds into new share	326,037,020	None	None
94.07	10	450,000,000	4,500,000,000	314,764,112	3,147,641,120	Shares of retained earning Transfer of capital reserve to new shares Transfer of employee dividends to new shares	134,586,170 134,586,170 30,611,640	None	None
94.08	10	450,000,000	4,500,000,000	284,785,714	2,847,857,140	Domestic Unsecured Corporate Bonds into new share	49,155,310	None	None
94.11	10	450,000,000	4,500,000,000	315,783,951	3,157,839,510	Domestic Unsecured Corporate Bonds into new share	10,198,390	None	None
95.02	10	450,000,000	4,500,000,000	334,790,867	3,347,908,670	Domestic Unsecured Corporate Bonds into new share	19,006,916	None	None
95.05	10	450,000,000	4,500,000,000	336,713,739	3,367,137,390	Oversea Unsecured Corporate Bonds into new share	19,228,720	None	None
95.08	10	450,000,000	4,500,000,000	336,861,652	3,368,616,520	Oversea Unsecured Corporate Bonds into new share	1,479,130	None	None
95.07 95.09	10	450,000,000	4,500,000,000	373,863,373	3,738,633,730	Shares of retained earning Transfer of employee dividends to new shares	162,292,360 45,432,490	None	None

						Transfer of capital reserve to new shares	162,292,360		

As of 04/26/2022
Unit:NTD.,share

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-on Capital		Remark			
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Amount (NT$)	Capital Increased by Assets Other than Cash	Other
96.05	10	450,000,000	4,500,000,000	376,244,856	3,62,448,560	Oversea Unsecured Corporate Bonds into new share	23,814,830	None	None
96.07	10	450,000,000	4,500,000,000	354,235,856	3,542,358,560	Cancellation of treasury shares	220,090,000	None	None
97.09	10	450,000,000	4,500,000,000	370,794,349	3,707,943,490	Transfer of capital reserve to new shares	165,584,930	None	None
97.11	10	450,000,000	4,500,000,000	358,794,349	3,587,943,490	Cancellation of treasury shares	120,000,000	None	None
97.12	10	450,000,000	4,500,000,000	335,728,349	3,357,283,490	Cancellation of treasury shares	230,660,000	None	None
98.04	10	450,000,000	4,500,000,000	323,728,349	3,237,283,490	Cancellation of treasury shares	120,000,000	None	None
98.08	10	450,000,000	4,500,000,000	333,440,200	3,334,402,000	Transfer of capital reserve to new shares	97,118,510	None	None
98.11	10	450,000,000	4,500,000,000	322,143,200	3,221,432,000	Cancellation of treasury shares	112,970,000	None	None
100.09	10	450,000,000	4,500,000,000	331,657,496	3,316,574,960	Transfer of capital reserve to new shares	95,142,960	None	None
100.12	10	450,000,000	4,500,000,000	311,657,496	3,116,574,960	Cancellation of treasury shares	200,000,000	None	None
100.12	10	450,000,000	4,500,000,000	307,157,490	3,071,574,960	Cancellation of treasury shares	45,000,000	None	None
101.04	10	450,000,000	4,500,000,000	287,157,490	3,871,574,960	Cancellation of treasury shares	200,000,000	None	None
101.04	10	450,000,000	4,500,000,000	282,157,490	2,821,574,960	Cancellation of treasury shares	50,000,000	None	None
105.04	10	450,000,000	4,500,000,000	277,157,490	2,771,574,960	Cancellation of treasury shares	50,000,000	None	None

2.Type of Stock

Unit：Shares

Type of stock	Authorized share Capital			Remark
	Issued shares	Unissued shares	Total	
Common stock	277,157,496(Note)	172,842,504	450,000,000	Listed

3. Related information of the general declaration system: None

4-1-2、Composition of Shareholders

April 16, 2024

Unit：people/share

Type of shareholders / Numbers	Government Agencies	Financial institutions	Other Juridical Persons	Natural Persons	Foreign institutions and natural persons	Total
Number of shareholders	2	0	179	43,183	65	43,429
Shareholding	25	0	30,234,535	230,212,174	16,710,762	16,710,496
Holding Percentage	0.00	0.00	10.91	83.06	6.03	100.00

Note: The latest closing date for stock of transfer was 4/15/2024 (same below)

4-1-3、Distribution Profile of Share Ownership

Par Value at NT$10/share

April 16, 2024

Unit：share

Shareholder Ownership	Number of Shareholders	Ownership	Ownership Percentage%
1 — 999	31,853	1,468,599	0.53
1,000 — 5,000	7,421	16,715,979	6.03
5,001 — 10,000	1,747	13,409,711	4.84
10,001 — 15,000	692	8,631,155	3.11
15,001 — 20,000	385	7,066,521	2.55
20,001 — 30,000	406	10,417,619	3.76
30,001 — 40,000	204	7,301,563	2.63
40,001 — 50,000	137	6,389,536	2.31
50,001 — 100,000	281	20,257,698	7.31
100,001 — 200,000	141	20,073,195	7.24
200,001 — 400,000	76	21,557,785	7.78
400,001 — 600,000	24	11,437,133	4.13
600,001 — 800,000	12	8,672,176	3.13
800,001 — 1,000,000	13	11,415,024	4.12
1,000,001 —999,999,999	37	112,343,802	40.53
Total	43,429	277,157,496	100.00

Preferred share: None

4-1-4、Names of major shareholders: Shareholders holding 5% or more of total shares or in the Top 10 stock option holding ratio list

April 16, 2024

Name of Major shareholders / Shares	Total share owned (shares)	Ownership (%)
Peng Chiun-Ping	20,689,303	7.46%
TA PO Investment Limited Representive:Peng, Bo-Zhang	15,420,000	5.56%
Hsu,Jin-Zhi	6,000,000	2.16%
Lee,Li	5,187,000	1.87%
Liu, Chiu-Chi	5,101,000	1.84%
Peng, Ting-Yu	4,548,718	1.64%
Rechi Investment Co.,Ltd	4,268,718	1.54%
Liu Kuan-bai	3,474,000	1.25%
JPMorgan Chase Bank, JPMorgan Chase Bank, JP Morgan Securities Co., Ltd. investment account	3,312,000	1.19%
Mizuho Securities Co., Ltd. investment account held in trust by Standard Chartered International Commercial Bank, Limited	2,511,000	0.91%
Total	70,569,004	25.44%

4-1-5、Information Regarding Market Price, Net worth, Earnings, Dividends Per common share in most recent 2 years

Market Price, Net worth, Earnings, Dividends Per share in most recent 2 years

Unit：NT$；Thousand shares

Item / Year			2022	2023	Current year as of March 31, 2024
Market price Per share（Note1）	Highest Market price		14.60	20.00	19.10
	Lowest Market Price		11.55	13.00	16.80
	Average Market Price		12.00	15.73	18.04
Net Worth Per share (Note2)	Before Distribution		10.21	10.14	10.35
	After Distribution		9.99	10.04	-
Earnings Per share	Weighted average shares(thousand shares)	277,158	277,158	277,158	277,158
		277,158	277,158	0.39	277,158
	Earnings pershare Note 3	Diluted EPS	0.33	0.10	0.09
		Adjusted diluted EPS	0.22	0.33	0.09
Dividends Per share	Cash Dividends(Note9)		0.30	0.22	N/A
	Non-paid Dividend	Dividend from retained earning	-	-	N/A
		Dividend from from capital surplus	-	-	N/A

	Accumulated Undistributed Dividend(Note4)	-	-	N/A
Return on Investment	P/E Ratio(Note5)	36.36	40.33	N/A
	Price/ Dividend ratio(Note 6)	54.55	157.30	N/A
	Cash Dividend Yield(Note7)	0.018	0.006	N/A

＊ If there are shares assigned with earnings or upon capital increase with capital reserve, information of the market price and cash dividends adjusted retroactively according to the number of shares issued shall also be disclosed.

Note 1: The highest and lowest market prices of common stock each year are shown and the annual average market price is calculated according to the strike price and the trading volume in each year.

Note 2: Please fill in distributions decided in the Boards' meeting of the following year according to the number of shares that were already issued for the specific year.

Note 3: If retroactive adjustments are required because of free share distribution, earnings per share before and after adjustments shall be shown.

Note 4: For the equity shares issuance criteria, if there are requirements that dividends not distributed for a specific year can be carried over to the year with earnings, the dividends that have not been paid up to the said year with earnings shall be disclosed separately.

Note 5：Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6：Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7：Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8 :For the net value per share and earnings per share, data inspected (reviewed) by CPAs from the latest quarter up to the date of printing of the Annual Report shall be provided. For the other columns, data of the immediate year up to the date of printing of the Annual Report shall be provided

Note9:The Board was held on 3/14/2023 to propose to distribute cash dividends of NT$0.22 per share for 2021

(6)Dividend Policy and Implementation Status

1. Dividend policy

Based on the company's operational needs and the consideration of maximizing shareholders' equity, the Company's dividend policy will be based on the company's future capital expenditure and capital needs. The proportion of cash dividends will be not less than 30% of the total dividends.

2.Proposed Distribution of Dividend through the current shareholders' meeting: The Board has adopted a Proposal for Distribution of 2023 Profits on 3/12/2024.

Action Electronics Co.,Ltd

PROFIT DISTRIBUTION TABLE

Year 2023

Unit：NT$ thousand

Items	Amount
Beginning retained earnings	$ 7,522,281
Add: Other comprehensive gains and losses(Determine the actuarial profit and loss of the benefit plan)	-300,274
Net profit after tax	108,993,269
Earnings available for distribution	108,692,995
Less: 10% legal reserve	-10,869,300

Items	Amount
Special reserves	-73,784,786
Distributable net profit	31,561,190
Distributable items:	
Dividend to shareholders(NT$0.1 per share)	-27,715,750
Unappropriated retained earnings	$ 3,845,440

1. The Company proposes to distribute cash dividends of NT$0.1 per share for the fiscal year 2023 earnings, totaling NT$27,715,750.
2. After approval of the Annual Shareholders' Meeting, it is proposed that Chairman will be authorized to resolve the ex-dividend date and handle distribution affairs for cash dividend
3. Cash dividends paid to each individual shareholder will be rounded down to the nearest dollar. Fractional shares with a value less than one dollar are recognized as the Company's other income.
4. If the company repurchase stocks of the Company or convert or retire treasury stocks that give impacts on the outstanding shares number to make distribution rate /per stock change, the Company authorizes the chairman to adjust the distribution yield of shareholders according to the resolution for distribution amount and of actual outstanding share number in shareholders' meeting.

Chairman：Peng Ting-Yu General Manager：Peng Hsiu-Yun Accounting Officer: May Huang

(7)Impacts of free share assignment intended through the current shareholders meeting on the Company's operational performance and earnings per share: N/A

(8)Remunerations for employees, directors:

1. The amount or scope of the remuneration of employees, directors and supervisors stated in the company's regulations of organization: according to the company's articles of association:

If the company makes a profit in the current year (the so-called profit refers to the pre-tax benefit deducting the benefit before the remuneration distribution to employees and directors), no less than 1% should be allocated for employees' remuneration and no more than 3% for directors' remuneration; independent directors do not participate in the reward distribution, but when the company still has accumulated losses, the remuneration amount shall be reserved in advance. Employee remuneration can be made in stocks or cash, and its payment objects may include employees of affiliated companies who meet the conditions set by the board of directors.

The allocation of employee remuneration and directors' remuneration shall be made by the board of directors based on a resolution approved by more than two-thirds of the directors present and more than half of the present directors.

2. The calculation basis of the estimated amount of remuneration for employees, directors and supervisors in the current period, the calculation basis of the number of shares of employee remuneration distributed by stocks, and the accounting handle when the actual distribution amount is different from the estimated amount:

If there is any change in the amount after the publication of the annual financial statement, it shall be handled according to the change in accounting estimates and adjusted in the next year.

3. Remuneration distribution approved by the board of directors:

(1) Remuneration for employees, directors and supervisors is distributed in cash or stocks. If there is a discrepancy between the estimated annual and the recognized amount of expense, the discrepancy, reason and handling situation should be disclosed:

On March 12, 2024, employee compensation of NT$3,295,449 and director compensation of NT$3,295,449 for directors to be paid in cash. Differences between the actual and estimated figures will be included in the next year's profit and loss. The relevant information approved by the board of directors will be disclosed in the Market Observation Post Station (MOPS) for reference.

(2) The amount of employee remuneration is distributed by stocks and its proportion to the total amount of the individual or individual financial report after-tax net profit and total amount of employee remuneration for the current period. (The company does not distribute stock dividends)

4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and stock price), and the difference between the actual distribution and the recognized remuneration of employees, directors and supervisors, the numbers of the difference, the reasons, and the processing situation should be stated.:

In the previous year, the bonus for employees was NT$4,647,846 and the bonus for directors was NT$3,718,277. The actual amount paid was consistent with the resolution of the board of directors.

(IX) Whether the company buys back the company's stock: None

4-2、Corporate Bond: None

4-3、Preferred Shares:1.Status of preferred shares: None；2.Preferred shares with warrant：None

4-4、Global Depositary Receipt: None

4-5、Employee Stock Option Certificate, Restricted Employee Shares

1 Issurance of employee stock option: None

2. Employee Stock Options Granted to Management Team and to Top 10 Employees with over NT$3 million: None.

4-6、Status of new share issurance in connection with Merges and acquisitions：

None.

4-7、Implementation of Capital Utilization Plan

Ⅴ、Operation Overview

5-1、Business content:

5-1-1、 Business scope:

1. **Main business content:** The main businesses of the Company and its subsidiaries include sales, maintenance, installation, and servicing of electrical home appliances; the manufacturing, processing, and trading of automotive electronic products; warehousing and logistics services; as well as real estate sales and leasing, etc.

2. Operating proportion: (Group) Unit: NT$ thousand; %

Product Item	2023 Group Consolidated Amount	
	Net revenue	Revenue proportion (%)
Brand Management and Service Business System	729,710	47.80
Automotive Electronics Manufacturing Business System	647,464	42.41
Asset Revitalization Business Unit	149,504	9.79
Total	1,526,678	100.00

3. The current products:

Action Group is divided into three major business systems based on operations.

(1)Brand management and service business system: With ACTION Kolin brand management and Realise Tech-Service as the core, "Kolin" brand management is mainly in the home appliance business, with products covering audio-visual appliances, refrigerators, washing machines, air conditioners and all kinds of small appliances for healthy living. Realise Tech-Service is mainly responsible for the repair/customer service and sales of Kolin brand products.

(2)Automotive electronics manufacturing business system: With Action Industries (Malaysia) SDN BHD's Penang plant and Action Asia (Shenzhen) Co., Ltd.'s Shenzhen plant as the focus of operations, the company develops, manufactures and sells automotive multimedia products.

(3) Asset revitalization business system: Far Year Construction Co. and Shanghai Action Technology Co., Ltd. as the core, with real estate trading and logistics warehousing as the main business. Far Year Construction is currently engaged in the development of the headquarters in Chungli, Taoyuan, and is planning to build the "ACTION Technology Park" and the "Smart Green Building", it is expected that the two new industrial and commercial office buildings will be completed and the development will become a landmark and

architectural landmark of the Chungli Industrial Zone, bringing a leap forward for Chungli and accelerating the upgrade and growth of the industrial zone. Shanghai Action Technology Co., Ltd. has been investing in the logistics and warehousing business since 2011, with a land area of 27,527 pings (90,998 sqm) and a factory area of 26,015 pings (86,000 sqm). The company provides internationalized warehousing facilities and a quality and competitive logistics environment, introducing international brand customers and generating stable revenue and profits for the Group.

4.New products (services) planned to be developed:

(1)Brand management: Kolin takes simple happiness as its aspiration and plans a full range of home appliances and small home appliances through multiple marketing channels of distributors, mass merchandising channels and online shopping platforms to provide consumers with more hassle-free smart home appliances to meet the needs of modern people and make life more convenient and simple. Realise Tech-Service is responsible for product service and repair, and currently operates 18 service stations and 4 repair factories throughout Taiwan, continuously providing reliable and affordable products and services.

(2)Automotive Electronics: ACTION was originally a foundry for major channels producing consumer electronics products. With the popularity of campers and yachts for travel and leisure, ACTION has deepened its R&D and partnerships with existing customers to provide the best manufacturing and development support.

(3)Asset Revitalization: Far Year Construction has developed and planned the ACTION Technology Park in response to the advent of the Industry 4.0 era and the industry's upgrade to smart technology, providing enterprises with a full range of intelligent, informative, and smart system services in software, such as 5C network, health prevention, smart access control, vehicle charging, smart power outage, smart saving, and other software equipment. In addition, the company has created a lobby and an international conference hall with a strong sense of design.

(4) Looking ahead, we will continue to focus on integrating the resources of the Group's three major systems, strengthening the quality of operations and enhancing the competitiveness of our brands; and emphasizing the introduction and cultivation of talents in management to continue to create the Group's corporate culture and values and to implement sustainable management.

5-1-2、Industry overview:

1. Current status and development of the industry

(1)recent years, the Internet of Things has become a major trend in technology development, and the convenience of human-computer interaction through voice control has led to the development of smart home appliances and smart homes. To enhance our competitive edge, we have invested a lot of resources to "upgrade" our home appliances so that they can be controlled by voice and provide consumers with a more convenient life.

(2)The company's automotive multimedia products are mainly used in the RV camper, yacht and modified vehicle markets. 2022 will be affected by the closure of China due to the epidemic, which will affect sales and auto parts supply, and the war between Russia and Ukraine, which will also affect the global auto supply chain. Although countries are gradually moving towards to coexist with COVID-19, ITRI estimates that global auto market sales will return to pre-epidemic levels in 2025. With the increase in per capita income, more attention will be paid to outdoor recreation, the growth of this market should not be underestimated.

(3)Taiwan's commercial real estate market performance in recent years, with the US-China trade and the

return of Taiwanese businessmen, has not only reduced the vacancy rate, but also gradually increased the commercial office rental market. Looking at the performance of the commercial real estate market in 2022, the total commercial real estate transactions of listed corporations in the first 11 months amounted to 161.6 billion, and the annual transactions are expected to surpass last year's 168.7 billion, with 9.325 billion commercial real estate transactions in November, of which office and factory transactions accounted for over 60%, and market demand is still strong. In the face of the commercial real estate market in 2023, experts predict that commercial real estate prices and buying sentiment will remain stable in the face of slowly rising interest rates and a stable economy.

2. The relevance of the industry's upstream, midstream and downstream

(1)Branded goods, distribution services industry structure and supply and demand

A. In terms of 3C product channels, upstream are manufacturers of home appliances, video and audio products, information products, and communication products, while downstream are direct sales outlets and e-commerce companies selling products to consumers.

B. Home Appliance Repair Service Realise Tech-Service takes responsibility for customer satisfaction with professional service and brand service, and improves the comprehensive benefits of brand + channel + service.

(2) Important raw materials and related suppliers for the electronics manufacturing industry

A. The main raw materials for consumer electronic products are panel driver ICs, small and medium-sized panels, printed circuit boards, backlight modules, etc.

B. The Company is mainly engaged in the sale of Internet + mobile multimedia player devices, which is the midstream of the industry. The upstream is related to components and materials, and in response to market demand, the downstream sales are mostly to customers, channels or importers.

3. Various development trends and competitive situations of products

(1)As technology advances, smart home appliances, ESG and digital transformation are the main trends for future development, we continue to work towards building energy-efficient, smart and healthier products, and providing consumers with more convenient and affordable products and experiences. To enhance our competitive edge, ACTION has invested a lot of resources to "upgrade" our home appliance products so that users can easily control them remotely via mobile phone or tablet app, thus providing consumers with a more convenient life. In addition, we have also strengthened the research and development of in-vehicle audio-visual products and the revitalization of our land assets, so that the company can grow steadily and positively in the face of the changing external environment.

(2) The main content of the business: research and development and sales of electrochemical products, digital electronic products, small household appliances, information and various communication products.

(3) Product competition situation: Competing manufacturers of home appliances include Datong, Sampo, TECO, Chi Mei, Sanyo, etc.

5-1-3、Technology and R&D Overview:

Electronic manufacturing business system:

1. Research and development expenditures in the last two years

Unit: NT$ Thousand

Year	2024	2023
Amount	29,980	26,863

2. Successfully developed products or technologies

(1) The main product of Malaysia's Markin plant of ACTION INDUSTRIES(M)SDN.BHD. is Mobile Video (DVD/USB/HDMI/AV/GAME), and it is constantly developing new models, such as Android OS/10.1 inch back-

to-back infotainment Products, ODM81011/10.1 inch in-vehicle ceiling-mounted entertainment multimedia player, 8-inch headrest & 10.1-inch ceiling-mounted Android OS in-vehicle infotainment products, OHM60902 (P6-20) 9-inch ceiling-mounted car entertainment products, multimedia player and so on.

(2)Action Asia Shenzhen factory product development and manufacturing, make use of external technical resources, to enhance self-strength, strive for quality and quantity of breakthrough, existing products deep plowing and value innovation.

(3)ACTION Kolin products are developed to provide reliable and affordable products and services for consumers to live a healthy and simple life, applying smart technology to make products work better and customer service more immediate.

(4)Shanghai Action Technology Co., Ltd. warehousing industry, has built an international logistics environment to improve the quality of service to reduce the period of empty storage, to maintain the environmental health of the park, and various safety standards supervision.

5-1-4 、Long-term and short-term business development plans:

Action Electronics Co., Ltd. has been established for more than 40 years, and has been selling to the worldwide by ODM and OEM. It started to operate the Kolin brand 6 years ago, changing its thinking not only to establish the brand of Kolin, but also to transfer business successfully. In the future, the Group will continue to transform towards the activation of land assets.

Short-term business development plan:

(1)Electronic manufacturing business system: Based in Malaysia Penang plant, we are promoting the development of automotive electronics, marketing strategy to develop automotive and mobile infotainment products, multi-point marketing of the same model, specialized management, integration of automotive entertainment products into In-car Platform products.

(2)Action Asia Shenzhen factory set up R&D team to support the Group's development and strengthen the development of automotive products

(3)Taiwan ACTION Kolin and Realise Tech-Service are the main business systems of our distribution service business. We operate our brand through diversified operations to enhance Kolin's visibility and flexible channel sales, actively develop niche products and markets, and identify niche channels.

(4)Revitalize assets, gradually revitalize land assets in Zhongli, Shenzhen and Shanghai, and inject more new elements into enterprises. Shanghai Action is a warehousing and logistics center with steady growth in sales; and the land development of the headquarters in Taiwan is planned as "ACTION Technology Park", which has been planned in terms of positioning, functions, organizational structure and operation plan, In the next 3-5 years, we will complete the "New Industry 4.0" industrial park, which integrates research and development, exhibition and sales.

Long-term business development plan

Looking forward to the future, in order to continue to make profits, Action Group hopes to combine good planning, good products and brand services, so that the company can continue to seek innovation and change.

5-2、Market and production and sales overview:

5-2-1、 Market analysis:

1. **The sales (provide) area of the company's main products (services)**

Unit: NT$ Thousand

Year / Sales Area		2023		2022	
		Net Revenue	Percentage	Net Revenue	Percentage
Ex	Asia	155,150	10.16	149,262	10.04

por t	America	499,909	32.74	344,465	23.17
	Others	346,634	22.70	266,807	17.95
Domestic		524,985	34.39	725,867	48.84
Total		1,526,678	100.00	1,486,401	100.00

(1) The company's three major business systems (distribution services, automotive electronics, and asset activation) accounted for 47.80%, 42.41%, and 9.79% of the operating income in 2023.

(2) The products of the distribution service business system are mainly sold domestically, and the automotive electronics and asset activation are mainly sold overseas.

2. Market share and future supply and demand conditions and growth, competitive niches and development prospects favorable and unfavorable factors and countermeasures.

Channel Service Industry:

(1) Management policy:

A.We will continue to enhance the brand value of the Kolin brand and create home appliancesthat are more suitable for modern families by increasing the appearance of the products and strengthening their functions, so that consumers can experience that home appliances are not just home appliances, but also thehappiness of home life.

B.Combined with the perfect after-sales service and logistics advantages, so that consumers no longer bother about the delivery process, product warranty, to give consumers the most perfect protection in the fastest time and efficiency.

(2) Marketing allocation:

A. The sales areas of the products are mainly domestic sales. In addition to the Kolin brand, there is also the German high-end brand AXION to meet the needs of different consumer levels

B. Proportion of channels: domestic sales of traditional dealer channels occupied for 52%, wholesales are16 %, e-commerce is 27% and project is5 %.

C. The future situation of supply and demand and growth of the market

At present, environmental protection and energy saving are still the main demands of consumers for home appliances, among which LCD monitors are mainly developed in the direction of large size and high resolution, while small appliances are developed in the overall trend of personalization and health wellness

(3) Advantages and disadvantages of business niche and development prospects and countermeasures

A. Favorable factors:
The Kolin brand has been rooted in Taiwan for 60 years and has established a strong brand image. Through strengthening the professional skills of the after-sales service team and mutual support of logistics strategic partners, it has created a win-win situation for consumers, dealers and the company.

B. Disadvantages:
There are many home appliance brands in China, the operating space is compressed under market competition, and the cost of shipping has risen in recent years. Although there has been a slight reduction, it still cannot respond reasonably.

C. Countermeasures
By understanding consumers' needs and combining with external partners, we can enhance cost control and price flexibility of innovative products, and develop new consumer groups by

introducing new generation consumption patterns.

Electronics manufacturing industry:

(1) Operating Direction:

With the management philosophy of professionalism, simplicity, and profitability, the team will be appropriately divided into professional functions, and then the process will be integrated to completely connect the upstream and downstream, to achieve their respective duties and specialize in their fields of expertise, so as to achieve the annual target by each division and specialization.

(2) Marketing Layout:

ACTION Shenzhen Plant: Stable development of existing customers, continue to develop customers in China and other new markets; production lines are stable, through the intervention of voice intelligent products to enhance product competitiveness and consumer favor.

Penang Plant: Strengthen the development of the ASEAN depot market, expand the mobile video business in Southeast Asia, India, the Middle East and Africa, and strengthen the service, delivery and quality control of finished products for key customers.

(3) Advantages and disadvantages of business niche and development prospects and countermeasures

A. Favorable factors: OEM/EMS business of Action Asia Shenzhen Factory and Markin Plant, and has won the award of high quality level and best production partner in the industry, and the factory is located in Southeast Asia, which has a geographical competitive advantage toward on RCEP and the Sino-US trade war.

B. Raw material prices and procurement and transportation growth, although gradually slowing down, cost prices are still on the rise.

C. Countermeasures: We have a long-term cooperative relationship with customers and suppliers and all have advanced preparation materials.

Warehousing and logistics business system: Focus on development of "Shanghai Action Tech co., Ltd"

1. Main business items: warehousing and logistics services.
2. Business strategy: to establish a linkage mechanism with customers in the park and to improve the property management standard of the park .
3. Short and long-term business development plans:

(1) Maintain good relationship with customers in the park and improve the property management standard of the park.

(2) Stabilize the customers of the park and keep the utilization rate above 95%.

4. Market Overview and Analysis

Shanghai ACTION's logistics and warehousing services have been well received by the local government for its business foundation and development vision, Although affected by the epidemic in mainland China, we still maintain good relationship with our customers and provide them with appropriate care and assistance, we are also well received our customers, and the usage rate has been stable at over 90%.

5-2-2、Important use and production process of main products

1. Important uses of main commodities:

Product	Usage
Home appliance	For family or personal use
Video and audio-visual products	For family or personal use
Communication goods	for household or personal use
Information products	for household or personal use

In the new era of information development, home appliances are not just material enjoyment, but also a link to the happiness of each household. Therefore, home appliances must be integrated with the Internet to provide consumers with a convenient, simple, energy-saving and happy source

2. Production process: The company's business activities are mainly sales of information home appliances, so there is no important production process.

5-2-3、Supply status of main raw materials:

We have a long term relationship with our suppliers for key components to ensure stable delivery, cost and quality through a consultative (inquire, compare and negotiate) procurement system.

5-2-4、Names of customers with 10% or more purchases or sales and the value of purchases or sales and ratio in the past two years: please describe the reason for the increase or decrease

(1) Major Suppliers:

Unit：NT$ thousand

	2023				2022			
No	Customer	Net Revenue	Relation to The Company	%	Name	Amount	Relation to The Company	%
1	Customer A	$125,389	None	20	Customer A	$97,273	None	11
2	Customer B	85,513	None	14	Customer B	74,264	None	9
3	Customer C	65,829	None	10		64,193	None	7
4	Others	352,974	None	56	Others	626,522	None	73
	Total Net Revenue	$629,705		100	Total Net Revenue	$862,252		100

(2) Major Customers in the Last Two Calendar Years

Unit：NT$ thousand

	2023				2022			
No	Customer	Net Revenue	Relation to The Company	%	Name	Amount	Relation to The Company	%
1	Customer A	$333,098	None	22	Customer A	$ 221,215	None	15
2	Customer B	71,817	None	5	Customer B	153,981	None	10
4	Others	1,121,763	None	73	Others	1,111,205	None	75
	Total Net Revenue	$1,526,678		100	Total Net Revenue	$1,486,401		100

5-2-5、Production volumes/values in the past two years

Unit:Sets ;NT$ thousand

Year	2023			2022		
Qty/Value Main Product	Capacity	Production Quantity	Production Value	Capacity	Production Quantity	Production Value
Revenue of automotive electronics manufacturing business system	171,594	171,594	395,867	145,750	145,750	370,253
Total	171,594	171,594	395,867	145,750	145,750	370,253

Note: Home appliance products and logistics service were not manufactured by the Company

5-2-6、Sales volume/values in the past two years

Unit:set;NT thousand

Year	2023				2022			
Sales Qty/Value	Domestic		Export		Domestic		Export	
Main Products	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Revenue of automotive electronics manufacturing business system			118,414	647,464			122,767	627,210
Revenue of brand management and service system	221,628	729,710			125,642	725,867		
Revenue of warehousing and logistics bysiness system				149,504				133,324
Total	221,628	729,710	118,414	729,710	125,642	725,867	122,767	760,534

5-3、Information of employees in the past two years and up to the date of printing of the Annual Report

Year		2022	2023	As of 4.30.2024
Number of employees	Staff	76	72	68
	Operator	2	2	0
	Total	78	74	68
Average age		46.6	47.9	49.0
Average seniority in service		6.7	6.95	7.29
Educational Distribution Ratio	Ph.D	0	0	0
	Master	10	10	10
	College and University Graduate	49	47	43
	Senior high/vocational high school graduate	18	16	14
	Less than high school	1	1	1

5-4、Expenditure on Environmental protection

1. In the most recent year and as of the publication date of the annual report, the company's process of improving environmental pollution. None

   (If there is a pollution dispute, the process of handling:

   Except for general and business waste, the company has no other pollution sources such as sewage and waste. The company currently entrusts qualified garbage disposal subcontractor to deal with general business waste, and the disposal situation is good.

   The company is located in the Zhongli Industrial Zone, and the sewage discharged by the company is handled in the sewage treatment plant of the management center in the industrial zone.)
2. In the most recent year and as of the publication date of the annual report, the total losses (including compensation) and the total amount of disposal suffered from environmental pollution, shall be disclosed the future countermeasures and possible expenditures: none.
3. The current pollution situation and its improvement influence on the company's earnings, competitive position and capital expenditure: none.
4. The most recent year and as of the publication date of the annual report, estimated major capital expenditures on environmental protection: none.

5-5、Labor Relations

(I) Current important labor-management agreements and implementation status

1. Various welfare measures for employees:

Both the company and employees can deeply realize the importance of a harmony labor-management relationship, and stress on the communication of opinions between above and below. The company's policies and various important measures can also enable employees to fully understand, so that can obtain employees' support and cooperation. Welfare measures:

(1) Vacation: The seniority leave (special leave) is stipulated in the Labour Standards Law.
(2) Education and training of employees.
(3) Education awards and grants: education awards for employees and their children.
(4) Cash Gifts: cash rewards (vouchers) or gifts for three festivals, weddings, funerals and festive event.
(5) Employee Insurance: labor insurance, national health insurance, employee group medical insurance and accident insurance.
(6) Bonuses: rewards for outstanding employees, year-end bonuses, rewards for senior employees, and employee bonuses.
(7) Grant application; hospitalization condolences.
(8)Employees are provided with maternity leave and paternity leave for pregnancy and childbirth; family care leave is provided for childcare, a system of childcare without pay, postpartum reinstatement measures, and appropriate work arrangements are given according to needs.
(9)Others: Year-end prosperous annual meeting, annual employee travel.

2. Retirement system:

The company's retirement system is formulated in accordance with the Labor Standards Law and Labor Pension Regulations. The company allocates 6% based on the monthly salary to a special account of retirement pension each month. In addition, for employees who choose the old retirement system, there is also the Labor Retirement Fund Supervision Committee responsible for the custody and utilization of the retirement fund. According to the monthly retirement actuarial evaluation report and the actuarial estimation, the company determines the welfare expenses and allocates the retirement fund based on the monthly salary of the employees and deposits it into a special account in the Trust Department of the Bank of Taiwan, as a source of pension payment. All employees of our company who have served the company for 15 years or 50 years old, or who have served for more than 10 years and reached 60 years of age, or who have served for more than 20 years, those can apply for self-retirement after approved by the company. The calculation method of pension payment shall be handled in accordance with the provisions of the Labor Standards Law. In addition, the labor pension shall be withdrawn in accordance with the "Labor Pension Regulations" and deposited into a special account of labor pension.

3. Other important consultation status:

(1) The company is applicable to the Labor Standards Law, and all operations are conducted based on the Labor Standards Law.

(2) The company has set up an Employee Welfare Committee. Through the Employee Welfare Committee, the company allows employees to understand the company's operating conditions. Employees also express their opinions through the welfare committee, so that they can mutually and fully understand and communicate with each other.

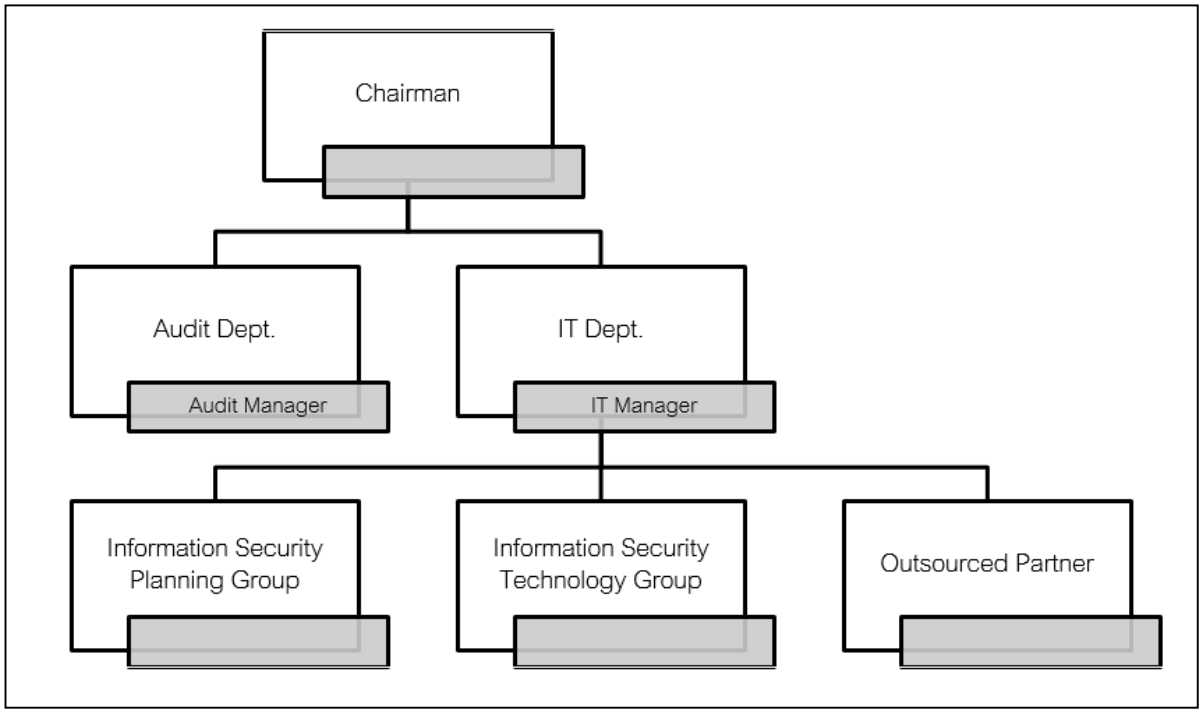
(2)Employer-employee disputes in the past three years: None

5-6、Information Security Management

To ensure the smooth operation of ACTION ELECTRONICS CO., LTD (hereinafter referred to as the Company) and the safe operation of information-related personnel, data, information systems, equipment and networks, we have established an Information Security Policy (hereinafter referred to as the Policy) for all of our employees to follow.

1、 Information Security Risk Management Framework:

To promote the Company's information security management, ensure the security of data, systems, equipment and networks, and protect the rights of consumers, the Company has set up an information security management organization as shown below.



2、 Information Security Policy：

1. Scope

(1) This applies to the security management of the Company's information assets, covering their confidentiality, integrity and availability.

(2)All employees, contractors, consultants, temporary employees, customers, and third-party personnel involved in the Company's information operations or use of data are expected to comply with this policy.

2. Management Principles

(1) To protect information or information systems from unauthorized access, use, control, leakage, destruction, tampering, destruction, or other infringement.

(2) To establish an information security promotion team and set up authority and responsibility to promote and maintain information security management, implementation and review.

(3) Convene information security management meetings to review internal and

external risks, major information security incidents, competent authorities' information security guidelines and business requirements, and take measures in response.

(4) We conduct various information security inspections, reviews, and personnel education and training to assess the risks of the information environment and make improvements.

(5) We have built information security systems or equipment monitoring to continuously improve the security of the overall information environment and reduce the occurrence of various risks.

(6) The use of the system and data shall be authorized and access rights shall be granted to the minimum extent necessary for its business.

(7) The information system is equipped with appropriate backup and recovery mechanisms, and contingency drills are arranged to strengthen the response and handling capabilities of information services in the face of threats.

(8) Arrange staff information security education and training to continuously enhance staff information security awareness.

3. Reviews

(1) This policy is reviewed once a year and may be revised as necessary to reflect relevant laws, regulations, technologies and developments in the Company's business.

(2) After the approval of this policy, the stakeholders will be informed by announcement, in writing, by email or other means.

(3) Stakeholders are: the scope of Article 2, paragraph 2.

3、 Specific Management Solutions

1. We conduct employee information security training arrangements and occasional tests to raise awareness of information security.
2. The information security defense capabilities are reviewed, and the defense capabilities of the current information system including network, equipment, and application systems are enhanced and repaired to reduce information security risks.
3. Improve the information system backup and recovery mechanism to respond to possible information security hazards.

4、 For the most recent year and as of the publication date of the annual report, the losses suffered as a result of significant information security incidents, their possible effects and the measures taken in response, if they cannot be reasonably estimated, should state the facts that they cannot be reasonably estimated: None.

5-7、Important Contract :

Contract nature	Company	counterparty	contract start date	main content	Restrictions
Engineering contract	Far Year Construction Co., LTD	Sanmin Construction Co., Ltd.	Since the signing of the contract on 2020.6.30, the	Entrusted development contract for Civil “Engineering of Area B of	None

			smart project has been completed	Action Science Park and Technology Park"	
Engineering contract	Far Year Construction Co., LTD	Sanmin Construction Co., Ltd.	Since the signing of the contract on 2022.11.23, the smart project has been completed	Entrusted development contract for Civil “Engineering of Area B of Action Science Park and Technology Park"	None
Credit contract	Far Year Construction Co., LTD	First Bank	2021.07.13~2024.12.12	The construction financing line for the development of Zone B of the "Enemosound Action Science and Technology Park"	None
Credit contract	Far Year Construction Co., LTD	Changhua Bank	2023.4.28~ 2027.4.28	The construction financing line for the development of Zone B of the "Enemosound Action Science and Technology Park"	None

VI、Financial Results

6-1、Condensed Balance Sheet and Comprehensive Income for the Past Five Years

(1)Condensed Balance Sheet and Comprehensive Income-Consolidated

1. Condensed Balance Sheet-Consolidated

Unit: NT$ thousands

Item \ year		Financial Summary for The Last Five Years					As of 3/31/2024 (Note1)
		2018	2019	2020	2021	2022	
Current assets		1,317,063	1,403,482	2,198,507	2,349,594	2,922,247	3,094,938
Property, Plant and Equipment		281,167	176,803	162,982	162,456	111,538	112,006
Intangible assets		239,868	225,771	219,380	213,842	210,097	208,756
Other assets		1,929,889	1,903,648	1,779,985	1,898,029	1,911,227	1,932,994
Total assets		3,767,987	3,709,704	4,360,854	4,623,921	5,155,109	5,348,694
Current Liabilities	Before distribution	876,707	892,079	980,983	1,501,065	2,029,336	2,174,275

	After distribution	937,682	919,795	1,064,130	1,562,040	(Note 3)	-
Non-current liabilities		248,044	203,401	544,439	292,615	314,077	310,551
Total Liabilities	Before distribution	1,124,751	1,095,480	1,525,422	1,793,680	2,343,413	2,484,826
	After distribution	1,185,726	1,123,196	1,608,569	1,854,655	(Note 3)	-
Equity attributable to shareholders of the parent		2,643,693	2,618,710	2,835,432	2,830,241	2,811,696	2,863,868
Capital stock		2,771,575	2,771,575	2,771,575	2,771,575	2,771,575	2,771,575
Capital surplus		259	1,602	1,602	1,602	1,602	1,602
Retained earnings	Before distribution	311,777	294,504	479,002	490,443	538,161	560,504
	After distribution	250,802	266,788	395,855	429,468	(Note 3)	-
Other equity interest		(439,918)	(448,971)	(416,747)	(433,379)	(499,642)	(469,813)
Treasury stock		0	0	0	0	0	0
Non-controlling interest		4,801	(457)	(4,486)	0	0	0
Total equity	Before distribution	2,643,236	2,614,224	2,835,432	2,830,241	2,811,696	2,863,868
	After distribution	2,582,261	2,586,508	2,752,285	2,769,266	(Note 3)	-

Note 1: Regarding the above table, the Company's consolidated condensed balance sheets as of and for the three-month periods ended March 31, 2019 to 2024 were prepared in accordance with International Financial Reporting Standards (IFRSs), and the accompanying consolidated financial statements have been examined and certified by an independent accountant, and the consolidated financial statements as of and for the three-month period ended March 31, 2024 have been reviewed by a certified public accountant.
Note 2: The Company did not revalue its assets during the year.
Note 3: The appropriation of earnings for fiscal year 2023 has not yet been approved in the shareholders' meeting.

2. Condensed statement of comprehensive Income—Consolidated

Unit：NT$ thousand

Year / Item	2019	2020	2021	2022	2023	As of 3/31/2024 (Note1)
Operating Revenue	1,340,594	1,280,877	1,535,992	1,486,401	1,526,678	348,232
Gross profit	320,352	300,336	344,472	390,764	422,943	99,364
Operating income	7,593	44,061	15,342	54,791	106,197	23,312
Non-operating income and expenses	54,990	29,920	43,875	54,221	43,987	9,042
Income before tax	62,583	73,981	59,217	109,012	150,184	32,354
Net profit from continuing operations	46,668	36,787	10,844	91,774	108,993	22,343
Loss of closed business units	1,902	6,711	198,757	0	0	0
Net income (Loss)	48,570	43,498	209,601	91,774	108,993	22,343
Other comprehensive income (income after tax)	10,580	(11,535)	39,323	(13,818)	(66,563)	29,829
Total comprehensive income	59,150	31,963	248,924	77,956	42,430	52,172
Net income attributable to shareholders of the parent	54,736	46,096	208,540	91,774	108,993	22,343
Net income attributable to non-controlling interest	(6,166)	(2,598)	1,061	0	0	0
Comprehensive income attributable to Shareholders of the parent	65,268	34,649	244,438	77,956	42,430	52,172
Comprehensive income attributable to non-controlling interest	(6,118)	(2,686)	4,486	0	0	0
Earnings per share	0.20	0.17	0.75	0.33	0.39	0.08

Note 1: The accompanying consolidated statements of income for the three-month periods ended March 31, 2019 through 2024 have been prepared in conformity with International Financial Reporting Standards ("IFRSs"), and the accompanying consolidated financial statements have been examined and certified by a certified public accountant (CPA).

Note 2: (Loss) income from discontinued operations is presented net of income tax.

(2)Condensed Balance sheet and Comprehensive Income—Parent Company

1.Condensed Balance Sheet—Parent Company

Unit：NT thousands

Items \ Year		2018	2019	2020	2021	2022
Current assets		521,253	553,493	705,816	649,811	737,519
Property, Plant and Equipment(Note2）		150,072	57,992	56,884	54,293	6,347
Intangible assets		228,898	223,874	218,778	213,823	209,256
Other assets （Note2）		2,487,993	2,521,983	2,615,792	2,494,152	2,519,117
Total assets		3,388,216	3,357,342	3,597,270	3,412,079	3,472,239
Current liabilities	Before distribution	589,100	610,884	477,786	339,960	408,275
	After distribution	650,075	638,600	560,933	400,935	(Note 3)
Non-current liabilities		155,423	127,748	284,052	241,878	252,268
Total liabilities	Before distribution	744,523	738,632	761,838	581,838	660,543
	After distribution	805,498	766,348	844,985	642,813	(Note 3)
Capital stock		2,771,575	2,771,575	2,771,575	2,771,575	2,771,575
Capital surplus		259	1,602	1,602	1,602	1,602
Retained earnings	Before distribution	311,777	294,504	479,002	490,443	538,161
	After distribution	250,802	266,788	395,855	429,468	(Note 3)
Other equity interest		(439,918)	(448,971)	(416,747)	(433,379)	(499,642)
Treasury stock		0	0	0	0	0
Total equity	Before distribution	2,643,693	2,618,710	2,835,432	2,830,241	2,811,696
	After distribution	2,582,718	2,590,994	2,752,285	2,769,266	(Note3)

Note 1: The above condensed balance sheets of the Company for the fiscal years 2019~2023 have been prepared in accordance with International Financial Reporting Standards (IFRSs), and the annual financial reports have been audited and certified by certified public accountants.
Note 2: The Company did not revalue its assets during the year.
Note 3: The appropriation of earnings for fiscal year 2023 has not yet been approved in the

shareholders' meeting.

2.Condensed statement of comprehensive Income—Parent Company

Unit：NT thousands

Year / Items	2018	2019	2020	2021	2022
Operating Revenue	673,038	595,328	571,538	555,983	575,953
Gross profit	92,424	119,400	101,077	105,488	100,040
Operating income	(53,222)	(12,675)	(74,358)	(83,437)	(89,298)
Non-operating income and expenses	108,146	59,841	303,038	168,028	192,555
Income before tax	54,924	47,166	228,680	84,591	103,257
Net profit from continuing operations	54,736	46,096	208,540	91,774	108,993
Net income (Loss)	54,736	46,096	208,540	91,774	108,993
Other comprehensive income (income after tax)	10,532	(11,447)	35,898	(13,818)	(66,563)
Total comprehensive income	65,268	34,649	244,438	77,956	42,430
Earnings per share	0.20	0.17	0.75	0.33	0.39

Note 1: Regarding the above table, the Company's individual condensed income statements for the years 2019~2023 have been prepared in accordance with International Financial Reporting Standards (IFRSs), and the individual financial reports for each of the years have been audited and certified by certified public accountants.

(3)Names and Auditor opinions of CPA for the past five years

Auditors' Opinions from 2018 to 2022

Year	CPA	Auditor Opinions
2019	Sam Wu、Janet Peng	Unqualified Opinion
2020	Sam Wu、Janet Peng	Unqualified Opinion
2021	Lin Yahui 、Wu Hanqi	Unqualified Opinion
2022	Lin Yahui 、Wu Hanqi	Unqualified Opinion
2023	Lin Yahui 、Wu Hanqi	Unqualified Opinion

6-2、Financial Analysis for the last five years

(1)Financial Analysis

1. Consolidated

Items	Year	Financial Analysis in most recnt years					As of	Remark
		2019	2020	2021	2022	2023	3.31.2024	
Financial Structure%	Debt ratio %	29.85	29.53	34.98	38.79	45.46	46.46	
	Long-term funds to property, plant and equipment %	1,028.31	1,593.65	2,073.77	1,922.28	2,802.43	2,834.15	
Liquidity%	Current ratio %	150.23	157.33	224.11	156.53	144.00	142.34	1
	Quick ratio %	107.16	116.22	145.01	74.75	67.12	73.09	1
	Times interest earned (times)	5.00	8.06	7.80	11.05	14.80	11.24	2
Operating performance	Average receivables turnover (times)	5.17	6.86	8.63	13.06	11.50	1.78	3
	Days sales outstanding	70.60	53.20	42.29	27.94	31.73	50.56	3
	Average inventory turnover (times)	2.47	2.46	2.03	1.10	0.84	0.17	4
	Average payables turnover (times)	10.28	8.91	11.17	8.44	5.99	1.27	5
	Average turnover days	147.77	148.37	179.80	331.82	434.52	529.41	4
	Property, plant and equipment turnover (times)	4.86	5.59	9.04	9.13	11.14	3.12	
	Total assets turnover (times)	0.35	0.34	0.38	0.33	0.31	0.07	
Profitability	Return on assets%	1.58	1.39	5.37	2.24	2.41	0.47	6
	Return on stockholders' equity %	1.83	1.65	7.69	3.24	3.86	0.79	6
	To paid-in capital (%) Operating income to paid-in capital%	0.27	1.59	0.55	1.98	3.83	0.84	7
	To paid-in capital (%) Pre-tax income to paid-in capital %	2.26	2.67	2.14	3.93	5.42	1.17	7
	Net profit margin %	3.62	3.40	13.65	6.17	7.14	6.42	6
	Earnings per share (NTD)	0.20	0.17	0.75	0.33	0.39	0.08	6
Cash Flow	Cash flow ratio %	29.28	23.26	-7.66	-7.85	0.04	-3.80	
	Cash flow adequacy ratio %	19.99	3.72	-1,256.05	40.58	23.10	-3.73	8
	Cash flow reinvestment ratio %	12.94	11.29	-	-	-2.08	-	
Leverage	Operating leverage	1.00	1.00	1.00	2.37	1.68	1.78	9
	Financial leverage	-0.94	1.31	2.31	1.25	1.11	1.16	10

Note:Analysis of changes of over 20% between 2021 and 2022:

1. The increase in the ratio of long-term capital to property, plant and equipment was mainly due to the sale and retirement of certain real estate in 2023.
(2) Increase in interest coverage multiple was mainly due to the increase in net income as gross profit increased in 2023 compared to 2022.
3. Inventory turnover rate and average days of sales: Due to the significant increase in the inventory of construction in progress at the end of 2023, the inventory turnover rate decreased, which also led to the increase in the average days of sales.
Inventory turnover rate and average sales days
(4) The decrease in turnover rate of accounts payable was mainly due to the increase in average accounts payable in 2023.

5. The increase in turnover rate of property, plant and equipment was mainly due to the sale and retirement of certain real estate in 2023.
6) The increase in the ratio of operating income and pretax income to paid-in capital was mainly due to the increase in net income as gross profit increased in 2023 compared to 2011.
7. The increase in cash flow ratio was mainly due to the increase in contract payment and construction payment received from the sale of pre-sale housing units of "Memory Park" in 2023.
8. The decrease in cash flow adequacy ratio was mainly due to the increase in inventories of construction in progress and cash dividends in the past five years.
9) Decrease in operating leverage was mainly due to the increase in net income as a result of the increase in gross profit in 2023 as compared to 2022.

2.Parent Company

Items	Year	Financial Analysis in most recent years					Remark
		2019	2020	2021	2022	2023	
Financial Structure%	Debt ratio %	21.97	22.00	21.18	17.05	19.02	
	Long-term funds to property, plant and equipment %	1,865.20	4,735.93	5,483.94	5,658.41	48,274.21	1
Liquidity	Current ratio %	88.48	90.61	147.73	191.14	180.64	
	Quick ratio %	53.92	63.86	88.04	109.36	102.87	
	Times interest earned (times)	7.29	6.85	33.80	11.18	10.87	
Operating performanc	Average receivables turnover (times)	7.38	7.77	7.14	7.84	7.63	
	Days sales outstanding	49.46	46.98	51.12	46.55	47.83	
	Average inventory turnover (times)	2.57	2.68	2.15	1.64	1.63	
	Average payables turnover (times)	14.22	12.93	11.11	9.69	8.81	
	Average turnover days	142.02	136.19	169.77	222.56	223.93	
	Property, plant and equipment turnover (times)	4.77	5.72	9.95	10.00	19.00	1
Profitability	Total assets turnover (times)	0.19	0.18	0.16	0.16	0.17	
	Return on assets%	1.77	1.56	6.16	2.81	3.41	2
	Return on stockholders' equity %	2.06	1.75	7.65	3.24	3.86	
	Pre-tax income to paid-in capital %	1.98	1.70	8.25	3.05	3.73	3
	Net profit margin %	8.13	7.74	36.49	16.51	18.92	
	Earnings per share (NTD)	0.20	0.17	0.75	0.33	0.39	
Cash Flow	Cash flow ratio %	5.19	33.02	6.49	53.21	11.47	4
	Cash flow adequacy ratio %	28.14	-27.57	-55.35	144.25	161.65	
	Cash flow reinvestment ratio %	5.10	10.81	0.12	3.59	-0.51	4
Leverage	Operating leverage	1.00	1.00	1.00	0.70	0.73	
	Financial leverage	0.86	0.61	0.91	0.91	0.90	

Note:Analysis of changes of over 20% between 2021 and 2022:
1) The increase in the ratio of long-term capital to property, plant and equipment and the turnover rate of property, plant and equipment was mainly due to the sale and retirement of certain real estate in 2023.
2) The increase in return on assets was mainly due to the increase in net income in 2023.
3) The increase in the ratio of pre-tax income to paid-in capital was mainly due to the increase in the share of equity-method affiliates and joint ventures in 2023, which resulted in the increase in net income in 2023 as compared to 2022.
4) The decrease in cash flow ratios was mainly due to the decrease in cash inflow from the repatriation of earnings of subsidiaries.

Note：The calculation formulas of financial analysis are listed as follows:

1.Capital structure

(1)Debt ratio = total liabilities / total assets

(2)Long-term funds to property, plant and equipment = (total equity + bonds payable +long-term loans) / net worth of property, plant and equipment

2. Liquidity

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets – inventory – prepaid expenses – non-current assets held for sale – other current assets) / current liabilities

(3)Times interest earned = income before interest and tax / interest expenses

3.Operating performance

(1)Average receivables (including accounts receivable and notes receivable arising from business operations) turnover = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(2)Days sales outstanding = 365 / average receivables turnover

(3)Average inventory turnover = cost of sales / average inventory

(4)Average payables (including accounts payable and notes payable arising from business operations) turnover = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(5)Average inventory turnover days = 365 / average inventory turnover

(6)Property, plant and equipment turnover = net sales / average net worth of property, plant and equipment

(7)Total assets turnover = net sales / average total assets

4.Profitability

(1)Return on assets = [net income + interest expenses (1- tax rate)] / average total assets

(2)Return on stockholders' equity attributable to the parent company = net income attributable to stockholders of the parent / average total equity attributable to the parent company

(3)Net profit margin = net income / net sales

(4)Earnings per share = (net income attributable to stockholders of the parent – preferred shares dividends) / weighted average number of outstanding shares(Note4)

5.Cash flow

(1)Cash flow ratio = net cash provided by operating activities / current liabilities

(2)Cash flow adequacy ratio = five-year sum of net cash provided by operating activities / five-year sum of capital expenditures, inventory increase and cash dividend

(3)Cash flow reinvestment ratio = (net cash provided by operating activities – cash dividend) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital (Note5)

6.Leverage

(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income(Note3)

(2)Financial leverage = operating income / (operating income – interest expenses)

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report 2023, and proposal for allocation of earnings. The Financial Statements has been duly reviewed and approved PricewaterhouseCoopers, Taiwan. Lin Ya-hui and Wu Han-chi with the issuance of auditor's Report. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulation in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

Action Electronics CO., LTD

2024 General Meeting of Shareholders

Convenor of Audit Committee: Tang Peng Chin

Date: March 12, 2024

6-4. Consolidated Financial Statements audited by CPA

6-5. Parent Company Only Financial Statements audited by CPA: Please refer to appendix B

6-6.The Company should disclose the financial impact to the Company if the Company and its

affiliated companies have incurred any financial or cash flow difficulties in 2021 and as of the date of this Annual Report: None

Ⅶ、Financial status,analysis of operating result and risk management

7-1、Financial status

Unit:NT thousands

Year	2022	2021	Difference		
Items			Amount	%	Remark
Current Assets	2,922,247	2,349,594	572,653	24	1
Property, Plant and Equipment	111,538	162,456	(50,918)	(31)	2
Intangible assets	210,097	213,842	(3,745)	(2)	
Other assets	1,911,227	1,898,029	13,198	1	
Total assets	5,155,109	4,623,921	531,188	11	
Current Liabilities	2,029,336	1,501,065	528,271	35	3
Non-current liabilities	314,077	292,615	21,462	7	
Total Liabilities	2,343,413	1,793,680	549,733	31	4
Equity attributable to shareholders of the parent	2,811,696	2,830,241	(18,545)	(1)	
Capital stock	2,771,575	2,771,575	0	0	
Capital surplus	1,602	1,602	0	0	
Retained earnings	538,161	490,443	47,718	10	
Other equity interest	(499,642)	(433,379)	(66,263)	15	
Non-controlling interest	0	0	0	0	
Total equity	2,811,696	2,830,241	(18,545)	(1)	

(I) Explanation on the difference analysis: the main reasons and impacts of that the increase or decrease changes more than 20% in the previous and current stages and the amount of change reaches NT$10 million:

1) Increase in current assets: Mainly attributable to the construction-in-progress for the "Memory Smart Technology Park" development project.

2) Decrease in property, plant and equipment: Mainly due to the sale and retirement of certain real estate in 2023.

3) Increase in current liabilities: Mainly attributable to the increase in borrowings due within one year and the increase in contract deposits and construction fees received from the sale of pre-sale housing units in the Memory Park.

4) Increase in total liabilities: Mainly as a result of new borrowings and contract payments and construction fees received from the sale of pre-sale housing units in the "Memory Lane Technology Park".

(II) Future response plan:

The company continues to focus on the improvement of operating performance and the stable growth of profits, optimizing the company's financial structure and reducing the financial burden.

7-2、Operating Performance Analysis

Unit: NT thousands

Items	2022	2021	Differences		
			Amount	%	Remark
Operating Revenue	1,526,678	1,486,401	40,277	3	
Gross profit	422,943	390,764	32,179	8	
Operating Expense	316,746	335,973	(19,227)	(6)	
Operating income	106,197	54,791	51,406	94	1
Non-operating income and expenses	43,987	54,221	(10,234)	(19)	2
Net Income before tax	150,184	109,012	41,172	38	1
Corp.Tax	41,191	17,238	23,953	139	3
Net income (Loss)	108,993	91,774	17,219	19	

(II) The main reasons for the changes in each subject are as follows:

1) Operating income and net income before income tax: This was mainly due to the success of customer and product development in the automotive electronics business group, which resulted in an increase in overall gross profit and an increase in operating income and net income before income tax.
2) Non-operating Income and Expenses: The decrease was mainly due to the decrease in the share of income from affiliated companies and joint ventures recognized under the equity method in 2023 as compared to 2022.
3) Income tax benefit: The increase was mainly due to the recognition of income tax benefit in 2022 due to the overestimation of prior years' income tax, which resulted in an increase in income tax expense due to the difference between the two periods.

.

7-3、 Analysis of changes in cash flow

(I) Cash flow this year

Unit: NT$ Thousand

Cash balance at early stage	Annual net cash flow from operating activities	Annual net cash outflow into investment and financing activities	Cash remaining amount	Remedial measures for expected cash shortage	
				Investment plan	Financial plan
729,382	869	38,357	752,606	Not applicable	Not applicable

(2) Analysis of changes in cash flow in the current year:

•Operating activities: The increase was mainly due to the increase in contract liabilities and the increase in accounts receivable.

Investing activities: The increase was mainly due to the increase in fixed deposits with maturity over 3 months and the increase in acquisition of investment properties.

Financing activities: Mainly due to the increase in long-term loans.

(II) Analysis of changes in cash flow this year

Unit: NT$ Thousand

Year / Item	2022	2021	Difference	
			Amount	Description
Operating activities	869	(109,609)	110,478	The decrease was mainly due to the decrease in purchases and the increase in contract liabilities.
Investment activities	(204,320)	117,938	(322,258)	Due to recognition of the sale price of non-current assets in 2022 and increase in fixed deposits with maturity over 3 months in 2023
Financing activities	242,677	41,049	201,628	Repayment of short-term loans in 2022
Net cash flow	23,224	63,115	(39,891)	

(III) Analysis of cash liquidity in the coming year

Unit: NT$ Thousand

Cash balance at early stage	Annual net cash flow from operating activities	Estimated annual net cash inflow from investment and financing activities	Cash remaining amount	Remedial measures for expected cash shortage	
				Investment plan	Financial plan
752,606	107,131	(72,844)	786,893	Not applicable	Not applicable

Analysis of changes in cash flow：

Operating activities: Net cash inflow from operating activities is estimated to be NT$107,131, mainly due to the anticipated receipt of payments from the completion of construction projects.
Investing and financing activities: A cash outflow of NT$72,844 is expected to be generated from cash dividends, acquisition of properties in the Park and new long-term loans.

7-4、 The impact resulted from major capital expenditures on financial operations in the most recent year: No major capital expenditures in the most recent year

7-5、 The reinvestment policy in the most recent year and the main reasons for profit or loss and its improvement plan and investment plan for the next year

(a) For the year ended December 31, 2012, the equity in earnings of subsidiaries and affiliates under the equity method of accounting was NT$185,186 thousand, compared with the equity in earnings of NT$145,146

thousand in 2022, representing an increase of NT$40,040 thousand in profit, mainly due to the steady growth in profitability of automotive electronics.

(二) The overseas subsidiaries are now steadily profitable. In the future, we will carry out organizational restructuring and resource integration to enhance overall operating efficiency and industry competitiveness.

(c) Estimated investment in the coming year: The board of directors resolved to invest in the construction of the "Memory Smart Technology Park" in 2020, and the construction of Building B was completed in fiscal year 2024, while the construction of Building A will continue to be carried out in the coming year.

7-6、 Analysis and assesment of risk management items in the most recent year and as of the date of publication of the annual report:

(I) The impact of recent annual interest rate, exchange rate changes, and inflation on the company's profit and loss and future countermeasures:

1. The company and its subsidiaries borrow mainly in New Taiwan dollars, followed by U.S. dollars. It is a fixed-interest debt, which is subject to changes in market interest rates and has little influence on future cash flows, but it is still subject to fair value interest rate risk. For debts with floating interest rates, changes in market interest rates will cause the effective interest rate of the debt to change, which will cause fluctuations in its future cash flow. Some risks can be offset by cash held at floating interest rates and current cash.
2. The impact of exchange rate changes: the main procurement and sales of the company and its consolidated subsidiaries are denominated in US dollars, and the fair value will change with fluctuations in market exchange rates. However, the company and its subsidiaries hold foreign currency assets and liabilities and the period of receipt and payment can be made to offset each other's market risks.
3. Inflation impact: The company has no significant financial impact due to inflation. The company will pay close attention to fluctuations in market prices and maintain a good interactive relationship with suppliers and customers.

(II) In recent years, high-risk, high-leverage investments, capital loans to others, endorsements and derivatives trading policies, main reasons for gains or losses, and future response measures:

1. The company does not engage in high-risk, high-leverage investment activities.
2. Fund loan to others and endorsement guarantee: mainly due to the operating needs of the company and its affiliated companies, all are handled in accordance with the "Fund Loan to Others Operation Procedure" and "Endorsement Guarantee Operation Procedure".
3. Derivative products that the company has not signed in 2022.

4. Response measures: The financial risk management policies of the company and its subsidiaries are affected by the characteristics of the electronics and home appliance industries. The financial risks which the consolidated company faced include changes in operating fund, credit risk and financial product investment. In order to achieve the best risk position, the company plans to adopt different strategies for different risks:

(1) Hedging strategy for changes in operating fund: The company has appropriate short-term bank loan quotas, and grasps the timing of cash inflows and outflows to maintain proper liquidity on capital allocation.

(2) Credit risk: The company has a strict credit evaluation policy, only transacting with counterparties with good credit status, and timely use of debt preservation measures to reduce credit risk.

(3) Financial product investment: Among the equity financial products invested by the company, financial assets belonged to fair value changes are classified as gains and losses, which can activate market, and easily sold out in the market at a price close to fair value. Significant Liquidity Risk is not expected to happen.

(4) Risk control: The financial department regularly evaluates the transaction and profit and loss situation at any time, and reports to the board of directors when abnormalities are found.

(III) Future R&D plans and estimated R&D expenses:

1. Future R&D plan:

   Subsidiaries ACTION INDUSTRIES (M) SDN. BHD. and ACTION ASIA (SHENZHEN) CO., LTD. have established long-term cooperative relations with customers, focusing on the development, production and sales of automotive electronic audio-visual entertainment products. It is foreseeable that AI intelligence and Internet will be injected into automotive electronics business in the future. high value-added new products

2. Estimated R&D expenses:

   Currently, R&D personnel are distributed in various subsidiaries and are listed in the R&D expenses of each subsidiary, so the headquarter does not incur any R&D expenses.

(IV) The impact of major domestic and foreign policy and legal changes in the most recent year on the company's financial business and corresponding measures: None.

(V) The impact of recent technological changes on the company's financial business and corresponding measures:

The consumer electronics market continues to launch new products, resulting

in an accelerated replacement cycle, making technology products popularized and low-priced; Coupled with the supply chain crisis caused by the epidemic,, the profitability of each other has been compressed, so the company needs to precisely grasp the pulse of the industry and market demand, and have a keen market forecast for the terminal sales of the product line. At the same time, it is necessary to review and grasp the risk of price drop of inventory and its crowding effect on liquidity of fund to respond to technological changes bring about business impact at any time. Currently, the company has a stable financial structure and sufficient cash flow. In the future, in addition to striving for excellence in the existing product market, expanding market share, and continue to immigrate new business divisions for market allocation and launch new products with high added value and competitiveness.

(VI) The impact of changes in corporate image in recent years on corporate crisis management and corresponding measures:

The company abides by laws and regulations regarding corporate image, and so far there is no situation that could affect corporate image.

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

(VIII) Expected benefits, possible risks and countermeasures of expanding the plant: None.

(IX) Risk faced by concentrated material input or sales channel and its countermeasures:

Material Input: The procurement of key components of the company's products is through direct negotiations with the original manufacturer to ensure normal supply and maintain price advantages. The supply of various raw materials also shall be maintained two or more suppliers to avoid goods resources controlled by others and maintain the flexibility of bargaining. So far, the company and the suppliers mutually keep maintaining good interaction.

Sales: The company's marketing allocation:

The company has transformed from manufacturer to a new field in the face of changes in the environment. The transformation has been successfully completed and started to make profits. Now it is divided into three business groups:

(1) Electronic manufacturing business system: Malaysia's Markin plant of ACTION INDUSTRIES(M)SDN.BHD. and Shenzhen plant of Action Asia Co., Ltd. develop multimedia products for automobiles, multi-point marketing with the same model, exclusive management, and transformed as simple In-car Platform products.

(2) Channel service business system: Taiwan Action Electronics Co., Ltd. and Realise

Tech Service Co., Ltd. are the main roleplayer to promote popularity of Kolin brand through diversified operation of brand management, boost flexible channel sales (distribution: 36%, wholesales: 15%, special sales: 20%, project: 29 %), actively develop niche markets.

(3) Asset revitalization system: Shanghai Action is the main asset revitalization system through warehousing and logistics, and the high occupancy rate can generate stable profits for the Group every year. In addition, Far Year Construction is actively developing the "ACTION Technology Park", which is expected to generate profits for the Group through its innovative value.

(X) Directors, supervisors, or major shareholders holding more than 10% of the shares, the impact, risks and corresponding measures of the company's massive transfer or replacement of equity: None.

(XI) The impact, risks and countermeasures of the change in operating rights on the company: None.

(XII) For litigation or non-litigation events, the company and its directors, supervisors, general managers, substantive persons in charge, major shareholders holding more than 10% of the shares, and affiliated companies have been verdict confirmed or at the period before judgement of major litigation, non-litigation or administrative litigation, the outcome of which may have a significant impact on shareholder rights or securities prices, the facts in dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the date as of publication date of the annual report shall be disclosed. The handling situation: None.

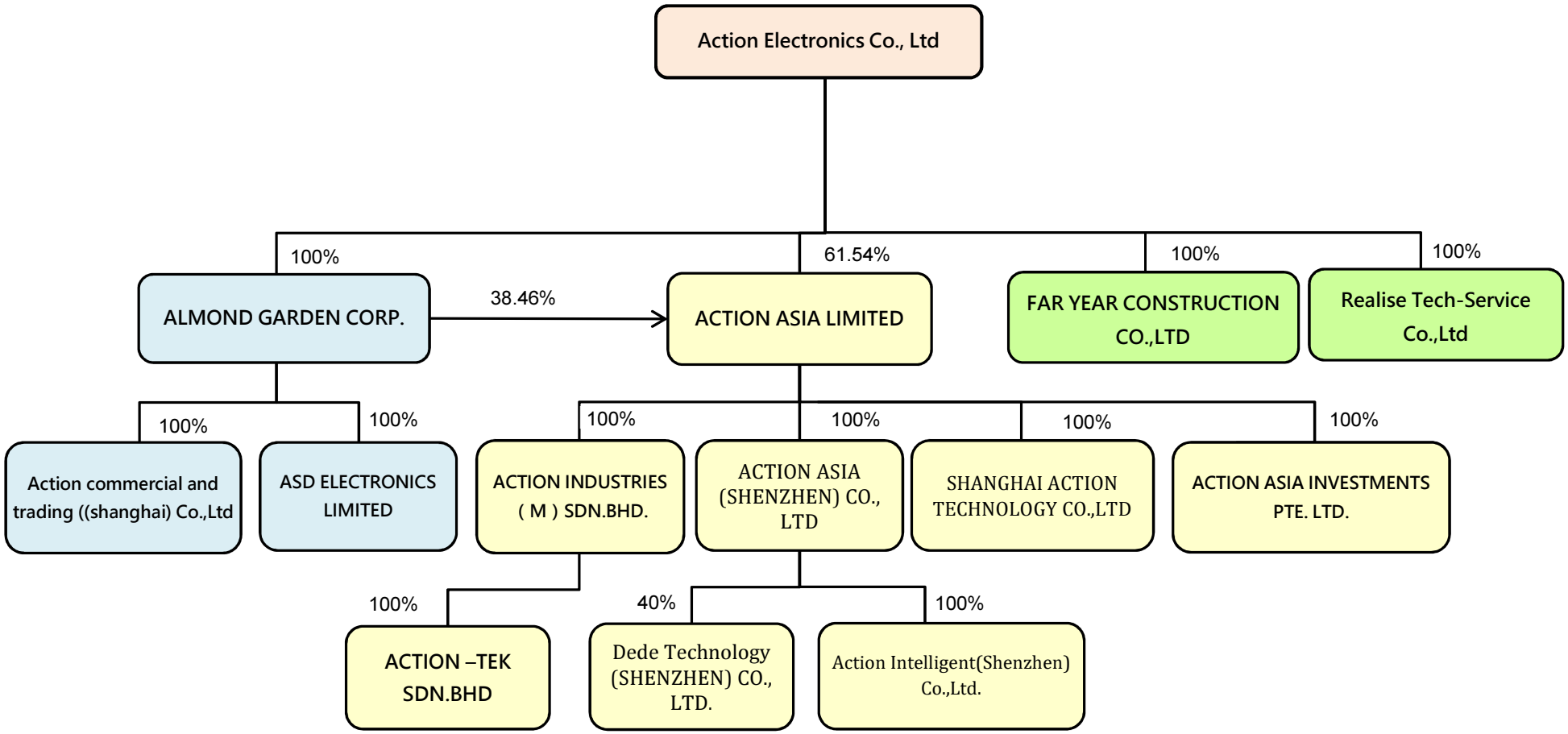
(XIII) Other important risks and corresponding measures: None.

7-7、 Other important matters: None.

Ⅷ、Special Notes

8-1、Information of associated enterprises

(1) 1.Organizational Chart of Associated Enterprise Consolidated Financial Statement of Associated Enterprises Organizational Chart of Associated Enterprise s



2.The Company does not have the conditions determined to be a controlling or subordinate relationship under Article 369-3 of the Company Act: None

3.The Company does not have the conditions determined to be a controlling in personnel, finance and business directly or indirectly under Article 369-2 of the Company Act: None

2. Basic Information for the Affiliates

Unte:dollars

Name of Corporation	Date of establishment	address	Paid-in Capital		Maior Business/Production Items
ACTION ASIA LIMITED	August 2,2002	77 Robinson Road, #13-00 Robinson 77, Singapore 068896.	SGD	33,168,808	Holding Company
Action Asia Investment Pte. Ltd.	August 12,2022	77 Robinson Road, #13-00 Robinson 77, Singapore 068896.	SGD	1	Holding Company
ACTION INDUSTRISES（M）SDN.BHD.	December 8,1987	2480,TINGKAT PERUSAHAAN ENAM, PRAI FREE TRADE ZONE,13600 PERAI, PENANG, MALAYSIA.	RM	13,200,000	Manufacturing and selling of LCD TV for Auto
ACTION –TEK SDN.BHD	Sep 15,2005	2480,TINGKAT PERUSAHAAN ENAM, PRAI FREE TRADE ZONE,13600 PERAI, PENANG, MALAYSIA	RM	2	Consumer Electronics Product Development
SHANGHAI ACTION TECHNOLOGY CO.,LTD	February 3, 2004	333 Xingbang Road, Jiading Industrial Zone, Shanghai, China	RMB	126,183,581	Warehousing and storage
Action commercial and trading (shanghai) CO.,ltd	November 22,1994	333 Xingbang Road, Jiading Industrial Zone, Shanghai, China	RMB	129,994,400	LCD TV products
ACTION ASIA (SHENZHEN) CO., LTD	February 4,2005	Room 201, Jinxing Industrial Park, Jian'an Road, Zhancheng Community, Fuhai Street, Baoan District, Shenzhen	RMB	28,100,004	Manufacturing and sales of auto electronical products and accessories services
Action Intelligent(Shenzhen) Co.,Ltd.	Sepertember 7,2016	Room 201, Jinxing Industrial Park, Jian'an Road, Zhancheng Community, Fuhai Street, Baoan District, Shenzhen	RMB	400,000	R&D and sales of AI products
ALMOND GARDEN CORP.	July 29,1994	CITCO BUILDING, WICKHAMS CAY, P.O. BOX 662, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS.	HKD	105,658,410	Holding Company
ASD ELECTRONLCS LIMITED	July 9, 2004	Unit 903,9/F，Tower 2 Enterprise square.No.9,Hong Kong	HKD	4,175,000	R&D and sales
REALISE TECH-SERVICE CO.,LTD	November24,1998	New North City Triple Zone Rerot Road 5 section 609 Lane 4 8F 9	NTD	60,000,000	Sales and maintance of electrical products
FAR YEAR CONSTRUCTION CO.,LTD	June25,2019	198 Zhongyuan Road, Zhongyuan District, Taoyuan City	NTD	200,000,000	Real Estate development

Note1：Regardless of its businee size, all affiliates shall be disclosed

Note2：The name, date of establishment,address and main products of the affiliate which has factory should be listed if the sales of its products exceeds 10% of revenue of the controlling company.

Note3：If the affiliate is a foreign company, the name, address of the affiliates can be expressed in English. The date of establishment can be expredded in AD date andpaid-in capital in foreign currency.。

3、.Data for Common Shareholders of Treated as Controlled Companies and Affiliates: None

4、.Bussiness scope of Affiliated Enterprises

The business of the Company and its affiliates includes:

(1)Electronic Components Manufacturing

(2)The sales of Home Appliances

(3)Investment

(4)Import and Export

(5)Leasing of Warehousing and Storage

5. Directors, Supervisors and Presidents of Affiliated Enterprises

December 31, 2023; Unit：Share （Except for specially noted）

Company (no.1)	Title	Name or representative	ShareHolding	
			Shares	%
Almond Garden Corp.(Note3)	Director	Peng, Chiun-Ping	14,500,000	100.00%
	Director	Chao, Teng Pang		
	Director	Peng, Ting-Yu		
Action Asia Limited(Note3)	Director	Chao, Teng Pang	149,511,976	61.54%
	Director	Peng, Ting-Yu	93,452,231	38.46%
	Director	Chow Hong Luen Irwin		
Action Asia Invesment Pte. Ltd.	Director	Li Yuanjian	1	100.00%
Realise Tech-Service Co., Ltd (Note.1)	Director	Representative: Chao, Teng Pang	6,000,000	100.00%
	Director	Peng, Ting-Yu		
	Director	Liu, Chiu Chi		
	Director	Guo, Jianli		
	Director	Gao Shixiang		
	supervisor	Vicent Weng		
Far Year Construction Co., Ltd(Note.1)	Chairman	Representative: Peng, Chiun-Ping	20,000,000	100.00%
	Director	Chao, Teng Pang		
	Director	Jin -Wan Tsai		
	Director	Jeffery Peng		
	Director	Wen Yu Mei		
ASD Electronics Limited (Note2)	Chairman	Peng Ting-Yu	4,175,000	100.00%
	Director	Chao Teng Pang		
	Director	Luo Wanhua		

Company (no.1)	Title	Name or representative	ShareHolding	
			Shares	%
Action Industries(M）Sdn.Bhd. (Note.3)	Chairman	Peng Ting-Yu	13,200,000	100.00%
	Director	Peng Chiun-Ping		
	Director	Chao, Teng Pang		
	Director	Joanna Chuang		
	Director	Chew Ah Tee		

Name of Corporation (Note1)	Title	Name or representative	ShareHolding	
			Shares	%
ACTION –TEK SDN.BHD(Note.5)	Chairman	Chew Ah Tee	2	100.00%
	director	Ang Gaik Sim		
Shanghai Action Technology Co., Ltd (Note.3)	Chairman	Peng Chiun-Ping	Capital Contribution USD18,000,000	100.00%
	director	Wu Wenyuan		
	director	Peng Jeffery		
	director	Peng Hsiuyun		
	director	Peng Ting-Yu		
	supervisor	Chao Teng Pang		
Action commercial and trading (shanghai) CO., Ltd (Note.2)	Chairman	Peng Hsiuyun	Capital Contribution USD16,000,000	100.00%
	director	Peng Jeffery		
	director	Lian Hongyuan		
	director	Chao Teng Pang		
Action Asia (Shenzhen) Co., Ltd. (Note.3)	Chairman	Peng Ting-Yu	Capital Contribution HKD30,000,000	100.00%
	Vice Chairman	Chao Teng Pang		
	director	Peng Chiun-Ping		
	director	Peng Chiun-Tian		
	director	Peng Hsiuyun		
	director	Wen Yu mei		
	director	Luo Wan Hua		
	supervisor	Liu Chiu Chi		
Action Intelligent (Shenzhen) Co., Ltd . (Note.4)	Chairman	Peng Ting-Yu	Capital Contribution RMB 400,000	100.00%
	director	Chao Teng Pang		
	director	Chew Ah Tee		
	director	Luo Wan Hua		
	supervisor	Xie Yongli		

Note 1: Directly invested by ACTION ELECTRONICS CO., LTD: Almond Garden Corp., Action Asia Limited, Realise Tech-Service Co., Ltd., Far Year Construction Co., Ltd

Note 2: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Almond Garden Corp.: ASD ELECTRONICS LIMITED, Action commercial and trading (shanghai) CO., Ltd.

Note 3: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Action Asia Limited.: Action Industries (M) Sdn. Bhd., Action Asia (Shenzhen) Co., Ltd. Shanghai Action Technology Co., Ltd, Action Asia Investment Pte. Bhd.

Note 4: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Action Asia (Shenzhen) Co., Ltd: Action Intelligent (Shenzhen) Co., Ltd

Note 5: Indirectly invested by ACTION ELECTRONICS CO., LTD, and directly invested by Action Industries (M) Sdn. Bhd.: ACTION-TEK SDN. BHD.

(2)Operating Performance of Affiliated Enterprises

Financial Results and Operating Performance of Affiliated Enterprises

Unit：NT$ Thousand（Except for specially Noted）

Name of Corporation	Paid-in Capital	Total Assets	Total Assets	Net Worth	Net Revenues	Operating Income(Loss)	Net Income (After Tax)	EPS (NT$)
ACTION ELECTRONICS CO.,LTD	2,771,575	3,472,239	660,543	2,811,696	575,953	(89,298)	108,993	0.39
ACTION ASIA LIMITED	442,510	2,063,810	16,704	2,047,107	0	(970)	201,704	0.83
SHANGHAI ACTION TECHNOLOGY CO.,LTD	545,996	1,000,193	45,479	954,714	150,651	87,088	73,216	0.58
ACTION INDUSTRISES（M）SDN.BHD.	88,301	376,363	180,472	195,891	480,561	44,081	57,841	4.38
ACTION ASIA (SHENZHEN) CO., LTD	121,589	917,009	92,202	824,807	456,475	68,797	90,361	3.22
Action Intelligent(Shenzhen) Co., Ltd	1,731	7,631	3,257	4,374	23,200	434	312	0.78
ALMOND GARDEN CORP.	415,132	841,426	169	841,257	0	(784)	75,259	5.19
ASD ELECTRONICS LIMITED	16,404	13,648	2,303	11,345	13,216	(1,139)	(1,121)	(0.27)
REALISE TECH-SERVICE.,LTD	60,000	91,261	44,695	46,565	220,704	3,684	3,983	0.66
Far Year Construction Co., Ltd	200,000	1,616,704	1,441,632	175,072	0	(6,738)	(5,790)	(0.29)
Action-Tek Sdn.,Bhd	0	0	0	0	0	1	821	0
Action commercial and trading (shanghai) CO.,ltd	562,486	32,705	978	31,727	0	(54)	(56)	0
Action Asia Investment Pte Ltd.	0	0	0	0	0	0	0	0

8-2、Private Placement Securities as of the Date of Printing of the Annual Report in most recent years: None.

8-3、Acquisition or disposal of the Company's shares by its subsidiaries of the latest year and up to the date of printing of the Annual Report: None

8-4、Other matters requiring supplementary information: None

IX、Matters with important impacts on shareholders' equity and security Price

Disclosures of Events Which May Have a Significant Influence on Stockholders' Equity or Share Price, in Compliance with Item 2, Paragraph 2 In Article 36 of the Securities and Exchange Law of the R.O.C. during 2020 and as of the Annual Report Printing Date: None

Appendix A

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

ACTION ELECTRONICS CO., LTD.

DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

Contents			Page
1.	Cover Page		1
2.	Table of Contents		2 ~ 3
3.	Declaration of Consolidated Financial Statements of Affiliated Enterprises		4
4.	Independent Auditors' Report		5 ~ 10
5.	Consolidated Balance Sheets		11 ~ 12
6.	Consolidated Statements of Comprehensive Income		13
7.	Consolidated Statements of Changes in Equity		14
8.	Consolidated Statements of Cash Flows		15 ~ 16
9.	Notes to the Consolidated Financial Statements		17 ~ 78
	(1)	History and Organisation	17
	(2)	The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	17
	(3)	Application of New Standards, Amendments and Interpretations	17 ~ 18
	(4)	Summary of Significant Accounting Policies	18 ~ 32
	(5)	Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	32 ~ 33

Contents		Page
(6)	Details of Significant Accounts	33 ~ 63
(7)	Related Party Transactions	63 ~ 65
(8)	Pledged Assets	65
(9)	Significant Contingent Liabilities and Unrecognised Contract Commitments	65 ~ 66
(10)	Significant Disaster Loss	66
(11)	Significant Events after the Balance Sheet Date	66
(12)	Others	66 ~ 74
(13)	Supplementary Disclosures	74 ~ 75
(14)	Segment Information	75 ~ 78

ACTION ELECTRONICS CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entities that are required to be included in the consolidated financial statements of affiliates are the same as those required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

ACTION ELECTRONICS CO., LTD.

Representative: Peng Ting-Yu

March 12 , 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Action Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Action Electronics Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Intangible assets - impairment of trademark right

Description

Refer to Note 4(19) for accounting policy on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to intangible assets - impairment of trademark right and Note 6(12) for details of intangible assets - trademark right.

The Group's intangible assets are mainly the Kolin trademark. The impairment was tested based on the recoverable amount which was measured using the present value of expected future cash flows discounted at an appropriate discount rate. Since the expected future cash flow involves a financial forecast for the next 5 years, and the assumptions applied in the preparation of the forecase are dependent upon subjective judgements and contain a high degree of uncertainties, which have a significant impact on the measurement of recoverable amount, and further affect the estimates of impairment of trademark, we consider the impairment assessment of intangible assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding and assessed the process in which the management estimated future cash flows of such cash-generating unit, and reconciled the future

cash flows used with the future annual budget provided by operating segments.

B. Obtained an understanding on the procedure and basis for determining assumptions used by the management to forecast future cash flows.

C. Assessed the key assumptions used by the external appraiser engaged by management in the estimation of future cash flows, including assessing the reasonableness of expected operating revenue, gross profit and changes in expenses by comparing to historical results.

D. Reviewed the parameters of discount rates, including the reasonableness of risk-free rate of cost of equity, market risk premium, securities risk premium and size risk premium.

Other matter – Issuance of an auditors' report on the parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Action Electronics Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the 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, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

A. 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.

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

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

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

E. 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.

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

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

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

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

Lin, Ya-Hui　　Wu, Han-Chi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 752,606	15	$ 729,382	16
1110	Current financial assets at fair value through profit or loss	6(2)	47,577	1	46,687	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	76,042	1	111,765	3
1136	Current financial assets at amortised cost	6(1)	102,286	2	15,354	-
1170	Accounts receivable, net	6(4) and 7	180,063	4	85,359	2
1200	Other receivables	6(5)	1,791	-	1,154	-
1210	Other receivables due from related parties	7	15,525	-	18,856	-
130X	Inventory	6(6)	1,460,195	28	1,158,059	25
1476	Other current financial assets	6(1)	148,223	3	74,900	2
1479	Other current assets, others		137,939	3	108,078	2
11XX	**Current Assets**		2,922,247	57	2,349,594	51
	Non-current assets					
1550	Investments accounted for using equity method	6(7) and 8	570,345	11	589,109	13
1600	Property, plant and equipment	6(8) and 8	111,538	2	162,456	4
1755	Right-of-use assets	6(9) and 8	49,240	1	64,142	1
1760	Investment property, net	6(11) and 8	1,178,146	23	1,123,655	24
1780	Intangible assets	6(12)	210,097	4	213,842	5
1840	Deferred income tax assets	6(28)	98,686	2	103,667	2
1900	Other non-current assets	8	14,810	-	17,456	-
15XX	**Non-current assets**		2,232,862	43	2,274,327	49
1XXX	**Total assets**		$ 5,155,109	100	$ 4,623,921	100

(Continued)

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(13)	$ 190,000	4	$ 190,000	4
2130	Current contract liabilities	6(22) and 7	547,228	11	363,880	8
2170	Accounts payable		208,813	4	159,762	3
2200	Other payables	6(15) and 7	179,920	3	166,900	4
2230	Current income tax liabilities		11,512	-	8,954	-
2250	Current provisions	6(16)	34,809	1	28,319	1
2280	Current lease liabilities		19,764	-	22,871	1
2320	Long-term liabilities, current portion	6(14)	819,635	16	546,315	12
2399	Other current liabilities, others		17,655	-	14,064	-
21XX	**Current Liabilities**		2,029,336	39	1,501,065	33
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6(14)	212,315	4	160,000	3
2550	Non-current provisions	6(16)	4,800	-	6,072	-
2570	Deferred tax liabilities	6(28)	38,763	1	59,344	1
2580	Non-current lease liabilities		28,757	-	38,874	1
2600	Other non-current liabilities	6(17) and 7	29,442	1	28,325	1
25XX	**Non-current liabilities**		314,077	6	292,615	6
2XXX	**Total Liabilities**		2,343,413	45	1,793,680	39
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(18)				
3110	Share capital - common stock		2,771,575	54	2,771,575	60
	Capital surplus	6(19)				
3200	Capital surplus		1,602	-	1,602	-
	Retained earnings	6(20)				
3310	Legal reserve		55,352	1	45,893	1
3320	Special reserve		366,594	7	242,116	5
3350	Total unappropriated retained earnings		116,215	3	202,434	4
	Other equity interest	6(21)				
3400	Other equity interest		(499,642)	(10)	(433,379)	(9)
31XX	**Equity attributable to owners of the parent**		2,811,696	55	2,830,241	61
3XXX	**Total equity**		2,811,696	55	2,830,241	61
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 5,155,109	100	$ 4,623,921	100

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	$ 1,526,678	100	$ 1,486,401	100
5000	Operating costs	6(6)(27)	(1,103,735)	(72)	(1,095,637)	(74)
5900	Net operating margin		422,943	28	390,764	26
	Operating expenses	6(27)				
6100	Selling expenses		(128,628)	(9)	(119,117)	(8)
6200	General & administrative expenses		(167,275)	(11)	(182,532)	(12)
6300	Research and development expenses		(29,980)	(2)	(26,863)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		9,137	1	(7,461)	-
6000	Total operating expenses		(316,746)	(21)	(335,973)	(22)
6900	Operating profit		106,197	7	54,791	4
	Non-operating income and expenses					
7100	Interest income	6(23)	13,526	1	6,671	-
7010	Other income	6(24) and 7	51,912	3	24,109	2
7020	Other gains and losses	6(25)	(2,462)	-	11,350	1
7050	Finance costs	6(26)	(10,885)	(1)	(10,848)	(1)
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(7)	(8,104)	-	22,939	1
7000	Total non-operating revenue and expenses		43,987	3	54,221	3
7900	**Profit (loss) before income tax**		150,184	10	109,012	7
7950	Income tax expense (benefit)	6(28)	(41,191)	(3)	(17,238)	(1)
8000	**Profit (loss) for the year from continuing operations**		108,993	7	91,774	6
8200	**Profit (loss) for the year**		$ 108,993	7	$ 91,774	6
	Other comprehensive income					
	Components of other comprehensive income that wii not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(17)	($ 375)	-	$ 3,517	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(35,723)	(2)	(54,401)	(4)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		75	-	(703)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(36,023)	(2)	(51,587)	(4)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(21)	(38,174)	(3)	47,211	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		7,634	1	(9,442)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(30,540)	(2)	37,769	3
8300	**Other comprehensive income for the year**		($ 66,563)	(4)	($ 13,818)	(1)
8500	**Total comprehensive income for the year**		$ 42,430	3	$ 77,956	5
	Basic earnings per share	6(29)				
9750	Basic earnings per share		$	0.39	$	0.33
9850	Diluted earnings per share		$	0.39	$	0.33

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent							
				Retained Earnings			Other equity interest		
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2022									
Balance at January 1		$ 2,771,575	$ 1,602	$ 24,671	$ 239,553	$ 214,778	($ 518,970)	$ 102,223	$ 2,835,432
Profit for the year		-	-	-	-	91,774	-	-	91,774
Other comprehensive income (loss) for the year	6(21)	-	-	-	-	2,814	37,769	(54,401)	(13,818)
Total comprehensive income		-	-	-	-	94,588	37,769	(54,401)	77,956
Appropriation and distibution of 2021 retained earnings	6(20)								
Legal reserve appropriaed		-	-	21,222	-	(21,222)	-	-	-
Special reserve appropriaed		-	-	-	2,563	(2,563)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(83,147)	-	-	(83,147)
Balance at December 31		$ 2,771,575	$ 1,602	$ 45,893	$ 242,116	$ 202,434	($ 481,201)	$ 47,822	$ 2,830,241
2023									
Balance at January 1		$ 2,771,575	$ 1,602	$ 45,893	$ 242,116	$ 202,434	($ 481,201)	$ 47,822	$ 2,830,241
Profit for the year		-	-	-	-	108,993	-	-	108,993
Other comprehensive income	6(21)	-	-	-	-	(300)	(30,540)	(35,723)	(66,563)
Total comprehensive income		-	-	-	-	108,693	(30,540)	(35,723)	42,430
Appropriation and distibution of 2022 retained earnings	6(20)								
Legal reserve appropriaed		-	-	9,459	-	(9,459)	-	-	-
Special reserve appropriaed		-	-	-	124,478	(124,478)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(60,975)	-	-	(60,975)
Balance at December 31		$ 2,771,575	$ 1,602	$ 55,352	$ 366,594	$ 116,215	($ 511,741)	$ 12,099	$ 2,811,696

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 150,184	$ 109,012
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(27)	61,914	65,967
Amortisation	6(27)	10,159	9,311
Expected credit (gain) loss		(9,137)	7,461
(Gains) Loss on financial assets at fair value through profit or loss	6(25)	(1,732)	1,131
Interest expense	6(26)	10,885	10,848
Interest income	6(23)	(13,526)	(6,671)
Dividends income	6(24)	(4,941)	(6,423)
Share of profit of associates accounted for using the equity method	6(7)	8,104	(22,939)
Loss on disposal of property, plant and equipment	6(25)	8,687	1,205
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		-	(35,816)
Accounts receivable		(94,853)	57,494
Other receivables		6,022	19,658
Other receivables due from related parties		(1,569)	-
Inventories		(259,846)	(352,384)
Other current financial assets		(73,323)	18,110
Other current assets		(18,755)	(35,180)
Changes in operating liabilities			
Contract liabilities		185,505	106,931
Accounts payable		51,396	(3,510)
Other payables		4,220	(4,696)
Provisions		7,086	(2,533)
Net defined benefit liability		(1,804)	(14,819)
Other current liabilities		3,623	(3,782)
Cash inflow (outflow) generated from operations		28,299	(81,625)
Interest received		13,526	6,671
Dividends received		4,941	6,423
Interest paid		(10,885)	(10,848)
Income taxes paid		(35,012)	(30,230)
Net cash flows from (used in) operating activities		869	(109,609)

(Continued)

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in financial assets at amortised cost		($ 88,872)	$ 129,736
Acquisition of property, plant and equipment	6(8)	(9,891)	(11,048)
Proceeds from disposal of property, plant and equipment		13,867	(147)
Acquisition of investment property	6(11)	(114,516)	(125,935)
Acquisition of intangible assets	6(12)	(1,222)	(950)
Proceeds from disposal of non-current assets classified as held for sale		-	130,674
Decrease (Increase) in refundable deposits		213	(1,569)
Increase in other non-current assets		(3,899)	(2,823)
Net cash flows (used in) from investing activities		(204,320)	117,938
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings	6(30)	425,635	353,494
Decrease in long-term borrowings	6(30)	(100,000)	-
Decrease in short-term borrowings	6(30)	-	(203,156)
Payments of lease liabilities	6(30)	(25,451)	(27,750)
Increase in deposits received	6(30)	3,468	1,608
Cash dividends paid	6(20)	(60,975)	(83,147)
Net cash flows from financing activities		242,677	41,049
Effect of exchange rate changes		(16,002)	13,737
Net increase in cash and cash equivalents		23,224	63,115
Cash and cash equivalents at beginning of year		729,382	666,267
Cash and cash equivalents at end of year		$ 752,606	$ 729,382

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

ACTION ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Action Electronics Co., Ltd. (the "Company") was incorporated on July 21, 1976 and transferred its listing from the Taipei Exchange to the Taiwan Stock Exchange in August 2002. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the sale, repair and installment services of a variety of home appliances, manufacture, processing and trade of audio-visual electronic products, warehousing services, housing and building development and rental, real estate leasing and trading, etc.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two modelrules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, Lack of exchangeability	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.
(b) Financial assets at fair value through other comprehensive income.
(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified

to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
The Company	ACTION ASIA LTD. (AAL)	A holding and investment company	61.54%	61.54%	
The Company	ALMOND GARDEN CORP. (AGC)	A holding and investment company	100.00%	100.00%	
The Company	REALISE TECH-SERVICE CO., LTD.	Repair services of electronic information products	100.00%	100.00%	
The Company	FAR YEAR CONSTRUCTION CO., LTD.	Housing, building and industrial factory development and rental and real estate leasing and trading	100.00%	100.00%	
AAL	ACTION INDUSTRIES(M) SDN. BHD. (AMP)	Manufacture and sale of car LCD TVs	100.00%	100.00%	
AAL	SHANGHAI ACTION TECHNOLOGY CO., LTD.	Warehousing services	100.00%	100.00%	
AAL	ACTION ASIA (SHENZHEN) CO., LTD. (AAS)	Research and development, manufacture and sale of electronic products and accessories	100.00%	100.00%	
AAL	ACTION ASIA INVESTMENT PTE.LTD.(AAI)	A holding and investment company	100.00%	100.00%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2023	December 31, 2022	
AAS	ACTION INTELLIGENT (SHENZHEN) CO., LTD.	Research and development, manufacture and sale of electronic products and accessories	100.00%	100.00%	
AMP	ACTION-TEK SDN. BHD.	Research and development of consumer electronic products	100.00%	100.00%	
AGC	ASD ELECTRONICS LIMITED	Research and development and sale	100.00%	100.00%	
AGC	ACTION ASIA LTD. (AAL)	A holding and investment company	38.46%	38.46%	
AGS	ACTION TECHNOLOGY (JIAN) CO., LTD.	Plant leasing services	-	-	Note 1
AGC	ACTION COMMERCIAL AND TRADING (SHANGHAI) CO., LTD.	LCD TV products	100.00%	100.00%	

Note 1: On March 29, 2021, the Board of Directors resolved to dispose a 100% equity interest in ATJ, which was held by the subsidiary, AGC, to the Group's related party, FARYEAR EDUCATION GROUP, and set the disposal effective date on June 2, 2021. Disposal proceeds were $256,363 (RMB 59 million). According to the mutual agreement, payments will be collected in 4 installments and will all be made before December 31, 2023. As the amount of $130,674 (RMB 29 million) was collected in March 2022, all payments of the above transaction had been collected.

A. Subsidiaries not included in the consolidated financial statements: None.

B. Adjustments for subsidiaries with different balance sheet dates: None.

C. Significant restrictions: None.

D. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

A. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

B. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

C. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred

to the non-controlling interest in this foreign operation.

(5) Classification of current and non-current items

Part of the Group's business is to entrust construction companies to build buildings or plants for sale and to undertake construction and related engineering works. The operating cycles are usually longer than a year, and thus assets and liabilities related to construction and engineering works are classified as current and non-current according to their operating cycles. The classification standard of the remaining accounts is as follows:

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realised within twelve months from the balance sheet date;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be deferred unconditionally for at least twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

C. The operating cycles of the construction of buildings for sale and construction contracts are usually longer than a year, and thus assessts and liabilities related to the building construction and long-term construction contracts are classified as current and non-current according to their operating cycles.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are

recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or

contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.
B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are initially recorded at cost. Borrowing costs incurred during the construction period (construction in progress) are capitalised. The cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Ending inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 56 years
Machinery and equipment	3 ~ 9 years
Office equipment	3 ~ 6 years
Other equipment	3 ~ 10 years

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Borrowing costs incurred during the construction period are capitalised. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3 ~ 66 years.

(18) Intangible assets

A. Trademarks and patents

Separately acquired trademarks and patents are stated at historical cost. Trademarks and patents acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and patents have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 2 to 50 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

C. Customer relationships

Customer relationships acquired from the acquisition of domestic and foreign subsidiaries are recognised at fair value at the acquisition date based on the appraisal report and are amortised on a straight-line basis over their estimated useful lives of 10 years.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Provisions

Provisions (including warranties, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pension

(a) Defined contribution plan

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds at the balance sheet date that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability

ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past-service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells audio-visual electronic products, a variety of home

appliances and other related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns, discounts and other allowances. Accmulated experience is used to estimate and provide for the sales returns, discounts and other allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability (shown as other current liabilities) and an asset recognised as right to recover products from customers (shown as other current assets, others) are recognised for expected sales returns and allowances payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.

(d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The advances received before delivery of goods is recognised a contract liability.

B. Sales of services

Revenue from providing repair services is recognised when the services are rendered. Revenue arising from providing services under a contract is recognised by reference to the stage of completion of the contract activity.

C. Rental revenue

The Group held investment properties to earn rentals, and rental revenue is recognised on a straight-line basis over the lease term.

D. Real estate sales revenue

The Group sells household and commercial buildings. Revenue is recongised when control of the real estate has transferred the customer, being the hand over and transfer of title to property. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title and control has passed to the customer. For the contracts between the Group and customers, as the time interval

between the transfer of committed goods or service and the payment of customer may exceed one year, the Group does not adjust the transaction price to reflect the time value of money because the financing component in individual contract is immaterial.

E. Land development and resale

(a) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

(b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

F. Incremental costs of obtaining a contract

The Group recognises an asset (shown as 'other current assets, others') the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that have not been recognised as expenses.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

There were no critical judgements in applying the Group's accounting policies during the year.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of intangible assets - trademark right

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

Details of the carrying amount of the Group's intangible assets - trademarks as of December 31, 2023 are provided in Note 6(12).

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the market selling value in the future. Therefore, there might be material changes to the evaluation.

Details of the carrying amount of inventories as of December 31, 2023 are provided in Note 6(6).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 1,706	$ 2,376
Checking accounts and demand deposits	724,144	625,567
Time deposits	26,756	101,439
	$ 752,606	$ 729,382

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2023 and 2022, the Group's time deposits with maturity over 3 months amounted to $102,286 and $15,354, respectively, and were recorded under 'financial assets at amortised cost – current'.

For the years ended December 31, 2023 and 2022, the amounts recognised in interest income in relation to financial assets at amortised cost amounted to $395 and $172, respectively.

C. The Group's restricted bank deposits pertain to the trust funds from domestic pre-sale properties. The funds in the trust account are for special use only and shall not be withdrawn during the term of the trust, expect for expenses required for construction such as construction payments or various taxes. Refer to Note 9(6) for the trust agreement.

As of December 31, 2023 and 2022, the Group's restricted bank deposits amounted to $148,223 and $74,900, and were recorded under 'other current financial assets'.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Fund beneficiary certificates	$ 46,273	$ 47,090
Valuation adjustment	1,304	(403)
	$ 47,577	$ 46,687

A. As of December 31, 2023 and 2022, the Group has no financial assets at fair value through profit or loss pledged to others.

B. Amounts relating to net gains (losses) on financial assets at fair value through profit or loss, recorded as 'other gains and losses', are provided in Note 6(25).

C. For the year ended December 31, 2022, the Group sold fund beneficiary certificates for proceeds of $8,274, and recognised loss on disposal of $730.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Current items:		
Equity instruments		
Emerging stocks	$ 63,943	$ 63,943
Valuation adjustment	12,099	47,822
	$ 76,042	$ 111,765

A. The Group has elected to classify strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $76,042 and $111,765 as at December 31, 2023 and 2022, respectively.

B. For the years ended December 31, 2023 and 2022, the amounts of fair value changes recognised in other comprehensive income for financial assets at fair value through other comprehensive income were ($35,723) and ($54,401), respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $76,042 and $111,765, respectively.

D. As of December 31, 2023 and 2022, the Group has no financial assets at fair value through other comprehensive income pledged to others.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 17,172	$ 13,748
Accounts receivable	208,742	125,651
Less: Loss allowance	(45,851)	(54,040)
	$ 180,063	$ 85,359

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $188,065.

B. As of December 31, 2023 and 2022, the Group has no notes and accounts receivable pledged to others.

C. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	December 31, 2023	December 31, 2022
Purchased receivables	$ -	$ 4,431
Guarantee deposits receivable	-	2,228
Tax refund receivable - business tax	1,790	1,061
Others	1	93
	$ 1,791	$ 7,813
Less: Loss allowance	-	(6,659)
	$ 1,791	$ 1,154

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 69,738	($ 25,389)	$ 44,349
Work in progress	29,958	(2,009)	27,949
Finished goods	3,441	(133)	3,308
Merchandise	170,115	(5,865)	164,250
Inventory in transit	25,970	(512)	25,458
Construction in progress	1,194,881	-	1,194,881
	$ 1,494,103	($ 33,908)	$ 1,460,195

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 91,736	($ 25,908)	$ 65,828
Work in progress	32,117	(2,304)	29,813
Finished goods	35,242	(8,500)	26,742
Merchandise	189,081	(4,966)	184,115
Inventory in transit	46,406	(522)	45,884
Construction in progress	805,677	-	805,677
	$ 1,200,259	($ 42,200)	$ 1,158,059

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 1,012,951	$ 984,182
(Gains) losses on inventory valuation	(8,134)	8,969
Cost of services	69,496	77,876
Others	29,422	24,610
	$ 1,103,735	$ 1,095,637

A. For the years ended December 31, 2023 and 2022, the Group's construction in progress was calculated based on the interest rates for capitalisation of 2.55%~2.65% and 2.3%, respectively. Details of the amount of capitalised interest are provided in Note 6(11).

B. For the year ended December 31, 2023, the Group reversed from a previous inventory write-down because of the sale of some inventories which were provided with allowance for valuation loss.

(7) Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Associates:		
DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	$ 570,345	$ 589,109

A. The basic information of the associates that are material to the Group is as follows:

	Principal	Shareholding ratio			
	place	Dcember 31,		Nature of	Methods of
Company name	of business	2023	2022	relationship	measurement
DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	Mainland China	40%	40%	Strategic investments	Equity method

B. The summarised financial information of the associates that are material to the Group is as follows:

Balance sheets

	December 31, 2023	December 31, 2022
Current assets	$ 165	$ 4,410
Non-current assets	1,824,440	1,962,924
Current liabilities	(24,866)	(28,973)
Non-current liabilities	(373,877)	(465,588)
Total net assets	$ 1,425,862	$ 1,472,773
Share in associate's net assets (carrying amount of the associate)	$ 570,345	$ 589,109

Statements of comprehensive income

	Year ended December 31	
	2023	2022
Revenue	$ 116,349	$ 112,696
(Loss) profit for the year from continuing operations	($ 20,261)	$ 57,348
Total comprehensive (loss) income for the year	($ 20,261)	$ 57,438

C. The Group's share of (loss) profit of investments accounted for using the equity method was recognised based on the associates' audited financial statements for the same period.

D. Information about investments accounted for using the equity method that were pledged to others as collateral is provided in Note 8.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
At January 1, 2023						
Cost	$ 43,227	$ 178,408	$ 13,483	$ 25,507	$ 81,249	$ 341,874
Accumulated depreciation	-	(78,705)	(11,424)	(14,580)	(74,709)	(179,418)
	$ 43,227	$ 99,703	$ 2,059	$ 10,927	$ 6,540	$ 162,456
2023						
Opening net book amount as at January 1	$ 43,227	$ 99,703	$ 2,059	$ 10,927	$ 6,540	$ 162,456
Additions	-	1,241	575	4,040	4,035	9,891
Disposals	(5,473)	(16,738)	(252)	(31)	(60)	(22,554)
Reclassifications	(34,650)	9,189	-	-	(1,400)	(26,861)
Depreciation charge	-	(4,710)	(1,165)	(2,096)	(2,639)	(10,610)
Net exchange differences	-	(2,380)	(14)	(40)	1,650	(784)
Closing net book amount as at December 31	$ 3,104	$ 86,305	$ 1,203	$ 12,800	$ 8,126	$ 111,538
At December 31, 2023						
Cost	$ 3,104	$ 137,407	$ 12,780	$ 25,368	$ 76,532	$ 255,191
Accumulated depreciation	-	(51,102)	(11,577)	(12,568)	(68,406)	(143,653)
	$ 3,104	$ 86,305	$ 1,203	$ 12,800	$ 8,126	$ 111,538

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
At January 1, 2022						
Cost	$ 43,227	$ 169,914	$ 13,274	$ 21,617	$ 96,045	$ 344,077
Accumulated depreciation	-	(71,017)	(9,479)	(14,462)	(86,137)	(181,095)
	$ 43,227	$ 98,897	$ 3,795	$ 7,155	$ 9,908	$ 162,982
2022						
Opening net book amount as at January 1	$ 43,227	$ 98,897	$ 3,795	$ 7,155	$ 9,908	$ 162,982
Additions	-	4,980	91	4,550	1,427	11,048
Disposals	-	-	(2)	(63)	(1,287)	(1,352)
Depreciation charge	-	(5,451)	(1,846)	(1,273)	(3,637)	(12,207)
Net exchange differences	-	1,277	21	558	129	1,985
Closing net book amount as at December 31	$ 43,227	$ 99,703	$ 2,059	$ 10,927	$ 6,540	$ 162,456
At December 31, 2022						
Cost	$ 43,227	$ 178,408	$ 13,483	$ 25,507	$ 81,249	$ 341,874
Accumulated depreciation	-	(78,705)	(11,424)	(14,580)	(74,709)	(179,418)
	$ 43,227	$ 99,703	$ 2,059	$ 10,927	$ 6,540	$ 162,456

A. The Group obtained building permit for the development project of 'Yisheng zhihui Science and Technology Park-A zone' in 2023, and the property was reclassified at the carrying amount at the time of changes in use. In accordance with IAS 40, starting from the change in the use of property, the entity shall transfer its properties to construction in progress (shown as 'inventories') and transfer its property to investment property-land based on the retained percentage. For the year ended December 31, 2023, the amount transferred to inventories and investment property was $35,764 and $14,339, respectively.

B. Information about the property that was pledged to others as collateral is provided in Note 8.

(9) Lease transactions－lessee

A. The Group leases various assets including land use right, buildings and structure and transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise photocopiers. Low-value assets comprise office equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structures	$ 48,722	$ 63,943
Transportation equipment	518	199
	$ 49,240	$ 64,142

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land use right	$ -	$ 528
Buildings and structures	25,835	27,554
Transportation equipment	510	796
	$ 26,345	$ 28,878

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $12,267 and $61,354, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,032	$ 1,405
Expense on short-term lease contracts	3,353	3,221
Expense on leases of low-value assets	435	215
Gains arising from lease modifications	-	212

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $30,271 and $32,591, respectively.

G. The Group entered into land use right contracts for the lands in Shanghai and Penang, and subleased the lands under operating lease agreements. Details of relevant right-of-use assets that were recorded as investment property are provided in Note 6(11). The aforementioned amounts related to right-of-use assets do not include the right-of-use assets that meet the definition of investment property.

H. Information about the right-of-use assets that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements – lessor

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 2 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sublet, subleased and used as security, whether in whole or in part, by lessees.

B. For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amounts of $158,718 and $144,354, respectively, based on the operating lease agreement.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
1 st year	$ 146,139	$ 134,117
2 nd year	87,678	81,480
3 rd year	42,244	26,719
4 th year	7,241	-
After 5 th year	2,895	-
	$ 286,197	$ 242,316

(11) Investment property

	2023				
	Land	Buildings and structures	Right-of-use assets	Investment property under construction	Total
At January 1					
Cost	$ 82,517	$ 986,392	$ 76,134	$ 205,461	$ 1,350,504
Accumulated depreciation and impairment	-	(209,606)	(17,243)	-	(226,849)
	$ 82,517	$ 776,786	$ 58,891	$ 205,461	$ 1,123,655
Opening net book amount as at January 1	$ 82,517	$ 776,786	$ 58,891	$ 205,461	$ 1,123,655
Additions	12,684	8,323	-	93,750	114,757
Reclassifications	(15,312)	(4,527)	-	-	(19,839)
Depreciation charge	-	(23,344)	(1,615)	-	(24,959)
Net exchange differences	-	(14,053)	(1,415)	-	(15,468)
Closing net book amount as at December 31	$ 79,889	$ 743,185	$ 55,861	$ 299,211	$ 1,178,146
At December 31					
Cost	$ 79,889	$ 949,079	$ 74,333	$ 299,211	$ 1,402,512
Accumulated depreciation and impairment	-	(205,894)	(18,472)	-	(224,366)
	$ 79,889	$ 743,185	$ 55,861	$ 299,211	$ 1,178,146

	2022				
	Land	Buildings and structures	Right-of-use assets	Investment property under construction	Total
At January 1					
Cost	$ 82,517	$ 962,261	$ 74,372	$ 89,310	$ 1,208,460
Accumulated depreciation and impairment	-	(184,050)	(15,335)	-	(199,385)
	$ 82,517	$ 778,211	$ 59,037	$ 89,310	$ 1,009,075
Opening net book amount as at January 1	$ 82,517	$ 778,211	$ 59,037	$ 89,310	$ 1,009,075
Additions	-	9,784	-	116,151	125,935
Depreciation charge	-	(23,263)	(1,619)	-	(24,882)
Net exchange differences	-	12,054	1,473	-	13,527
Closing net book amount as at December 31	$ 82,517	$ 776,786	$ 58,891	$ 205,461	$ 1,123,655
At December 31					
Cost	$ 82,517	$ 986,392	$ 76,134	$ 205,461	$ 1,350,504
Accumulated depreciation and impairment	-	(209,606)	(17,243)	-	(226,849)
	$ 82,517	$ 776,786	$ 58,891	$ 205,461	$ 1,123,655

A. The Group applied for a change of land planning to increase building bulk, and the application has been approved by the Ministry of Economic Affairs. According to the restrictions on property rights of increased building bulk under the agreement, 28.62% of area A and 21.29% of area B shall be retained and shall not be transferred to others without the consent of the Ministry of Economic Affairs within 5 years. As of December 31, 2023, the value of the retained property calculated by the Group based on the retained ratio was $331,806, of which $32,595 was recorded as investment property – land and $299,211 was recorded as investment property – buildings.

B. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2023	2022
Rental income from investment property	$ 158,718	$ 144,354
Direct operating expenses arising from the investment property that generated rental income during the year	$ 38,010	$ 38,152
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ -	$ 1,208

C. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 was $1,735,288 and $1,678,569, respectively, which was the results valued by the management

based on the quoted prices in the neighboring area by real estate agents or information available on the real estate actual purchase price registration system, was catagorised within Level 3 in the fair value hierarchy.

D. Amount of borrowing costs capitalised as part of investment property in 2023 and 2022 was $19,290 and $7,918, and the range of the interest rates for such capitalisation was 2.55%~2.65% and 2.3%, respectively.

E. Refer to Note 8 for further information on investment property pledged to others as collateral.

(12) Intangible assets

	Kolin trademark	Patents	Others	Total
At January 1, 2023				
Cost	$ 289,605	$ 276	$ 2,854	$ 292,735
Accumulated amortisation	(76,238)	(276)	(2,379)	(78,893)
	$ 213,367	$ -	$ 475	$ 213,842
2023				
Opening net book amount as at January 1	$ 213,367	$ -	$ 475	$ 213,842
Additions	62	-	1,160	1,222
Reclassifications	-		1,400	1,400
Amortisation charge	(5,534)	-	(833)	(6,367)
Closing net book amount as at December 31	$ 207,895	$ -	$ 2,202	$ 210,097
At December 31, 2023				
Cost	$ 289,667	$ 276	$ 5,414	$ 295,357
Accumulated amortisation	(81,772)	(276)	(3,212)	(85,260)
	$ 207,895	$ -	$ 2,202	$ 210,097

	Kolin trademark	Patents	Others	Total
At January 1, 2022				
Cost	$ 296,027	$ 276	$ 2,718	$ 311,164
Accumulated amortisation	(77,536)	(276)	(2,335)	(91,784)
	$ 218,491	$ -	$ 383	$ 219,380
2022				
Opening net book amount as at January 1	$ 218,491	$ -	$ 383	$ 219,380
Additions	493	-	457	950
Amortisation charge	(5,618)	-	(364)	(6,488)
Closing net book amount as at December 31	$ 213,366	$ -	$ 476	$ 213,842
At December 31, 2022				
Cost	$ 289,605	$ 276	$ 2,854	$ 292,735
Accumulated amortisation	(76,238)	(276)	(2,379)	(78,893)
	$ 213,367	$ -	$ 475	$ 213,842

A. Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2023	2022
Operating costs	$ 73	$ 506
General and administrative expenses	6,294	5,982
	$ 6,367	$ 6,488

(13) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 50,000	1.902%	None
Secured borrowings	140,000	1.88%~1.975%	Refer to Note 8
	$ 190,000		

Type of borrowings	December 31, 2022	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 30,000	1.93%	None
Secured borrowings	160,000	1.73%~2.08%	Refer to Note 8
	$ 190,000		

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2021 to June 2024; interest is repayable monthly; principal is repayable at maturity.	2.40%	Refer to Note 8	$ 60,000
Secured borrowings	Borrowing period is from August 2023 to August 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Secured borrowings	Borrowing period is from December 2023 to December 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Secured borrowings	Borrowing period is from July 2021 to December 2024 (Note); interest is repayable monthly; principal is repayable at maturity.	2.65%	Refer to Note 8	759,635
Secured borrowings	Borrowing period is from April 2023 to April 2027; interest is repayable monthly; principal is repayable at maturity.	2.55%	Refer to Note 8	12,315
Less: Long-term borrowings due within one year or a operating cycle				(819,635)
				$ 212,315

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2021 to June 2024; interest is repayable monthly; principal is repayable at maturity.	2.275%	Refer to Note 8	$ 160,000
Secured borrowings	Borrowing period is from July 2021 to December 2023; interest is repayable monthly; principal is repayable at maturity.	2.425%	Refer to Note 8	546,315
Long-term borrowings due within one year or a operating cycle				(546,315)
				$ 160,000

Note: On December 6, 2023, the Group completed the extension agreement of long-term secured borrowings with First Commercial Bank, whereby the repayment date was extended for an additional one year, from December 2023 to December 2024. The management expects the Group will be able to fulfill contract obligations of all borrowings on specified time in the future.

(15) Other payables

	December 31, 2023	December 31, 2022
Royalties payable	$ 51,577	$ 52,014
Wages and salaries and bonuses payable	36,864	39,550
Employee bonus payable	12,658	11,261
Taxes payable	12,900	4,810
Freight payable	9,582	8,055
Service expenses payable	8,193	8,246
Directors' remuneration payable	3,716	4,018
Others	44,430	38,946
	$ 179,920	$ 166,900

(16) Provisions

	Warranty	
	2023	2022
At January 1	$ 34,391	$ 34,708
Additional provisions	18,622	17,900
Used during the year	(4,682)	(6,500)
Unused amounts reversed	(7,699)	(13,933)
Exchange difference	(1,023)	2,216
At December 31	$ 39,609	$ 34,391

Analysis of total provisions:

	December 31, 2023	December 31, 2022
Current	$ 34,809	$ 28,319
Non-current	$ 4,800	$ 6,072

The Group gives warranties on home appliances, LCD players and other applications. Provision for warranty is estimated based on historical warranty data of such products. It is expected that provision for warranty will be used during the next 1 ~ 3 years.

(17) Pension

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3%~10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 16,995)	($ 32,232)
Fair value of plan assets	12,866	26,299
Net defined benefit liability (shown as other non-current liabilities)	($ 4,129)	($ 5,933)

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 32,232)	$ 26,299	($ 5,933)
Current service cost	(312)	-	(312)
Interest (expense) income	(407)	334	(73)
	(32,951)	26,633	(6,318)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	84	84
Change in financial assumptions	(94)	-	(94)
Experience adjustments	(365)	-	(365)
	(459)	84	(375)
Pension fund contribution	-	2,564	2,564
Paid pension	16,415	(16,415)	-
At December 31	($ 16,995)	$ 12,866	($ 4,129)

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 40,291)	$ 19,539	($ 20,752)
Current service cost	(406)	-	(406)
Interest (expense) income	(267)	125	(142)
	(40,964)	19,664	(21,300)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,856	2,856
Change in financial assumptions	1,369	-	1,369
Experience adjustments	(708)	-	(708)
	661	2,856	3,517
Pension fund contribution	-	11,850	11,850
Paid pension	8,071	(8,071)	-
At December 31	($ 32,232)	$ 26,299	($ 5,933)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.2%	1.2%~1.3%
Future salary increases	1.0%~1.5%	1.0%~1.5%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 334)	$ 344	$ 301	($ 294)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 545)	$ 559	$ 484	($ 475)

The sensitivity analysis above is based on one assumption which changed whike the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $2,566.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 6 ~ 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 1,217
1 ~ 2 year(s)	864
2 ~ 5 years	2,204
Over 5 years	8,658
	$ 12,943

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company

contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's overseas subsidiaries have defined contribution plans. Monthly contributions are based on certain percentage of employees' monthly salaries and wages.
Other than the monthly contributions, the Group has no further obligations.

(c) The Company's mainland China subsidiaries have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages. The contribution percentage was 16%. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $8,467 and $6,550, respectively.

(18) Share capital

As of December 31, 2023, the Company's authorised capital was $4,500,000, and the paid-in capital was $2,771,575, consisting of 277,158 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023		
	Overdue dividends	Changes in ownership interests in subsidiaries	Total
At January 1 (at December 31)	$ 259	$ 1,343	$ 1,602

	2022		
	Overdue dividends	Changes in ownership interests in subsidiaries	Total
At January 1 (at December 31)	$ 259	$ 1,343	$ 1,602

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve in accordance with the laws and requirements by competent authority, the appropriation of the remaining earnings, along with the unappropriated earnings, shall be proposed by the Board of Directors and resolved at the shareholders' meeting as dividends to shareholders.

B. In accordance with the Company's dividend policy in the Articles of Incorporation, dividends are distributed by taking into consideration the Company's operational needs and shareholders' maximum interests, future capital expenditures and capital needs. Cash dividends shall account for at least 30% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of 2022 and 2021 earnings as resolved at the shareholders' meetings on June 26, 2023 and June 24, 2022, respectively, are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal surplus	$ 9,459		$ 21,222	
Special reserve	124,478		2,563	
Cash dividends	60,975	$ 0.22	83,147	$ 0.30
	$ 194,912		$ 106,932	

The aforementioned resolutions were in agreement with those resolved by the Board of Directors on March 14, 2023 and March 29, 2022. Information will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The appropriation of 2023 earnings as proposed by the Board of Directors on March 12, 2024 is as follows:

	Year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 10,869	
Special reserve appropriated	73,785	
Cash dividends	27,716	$ 0.10
	$ 112,370	

As of March 12, 2024, the aforementioned appropriation of 2023 earnings has not yet been resolved at the shareholders' meeting.

(21) Other equity items

	2023		
	Foreign exchange translation adjustments	Unrealised gains (losses) on valuation	Total
At January 1	($ 481,201)	$ 47,822	($ 433,379)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Valuation adjustment	-	(35,723)	(35,723)
Currency translation differences:			
-Group	(38,174)	-	(38,174)
-Tax on Group	7,634	-	7,634
At December 31	($ 511,741)	$ 12,099	($ 499,642)

	2022		
	Foreign exchange translation adjustments	Unrealised gains (losses) on valuation	Total
At January 1	($ 518,970)	$ 102,223	($ 416,747)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Valuation adjustment	-	(54,401)	(54,401)
Currency translation differences:			
-Group	47,211	-	47,211
-Tax on Group	(9,442)	-	(9,442)
At December 31	($ 481,201)	$ 47,822	($ 433,379)

(22) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers		
Sales revenue	$ 1,258,474	$ 1,245,300
Sales of services	92,555	81,986
	1,351,029	1,327,286
Rental revenue	149,504	133,324
Other operating revenue	26,145	25,791
	$ 1,526,678	$ 1,486,401

A. Disaggregation of revenue from contracts with customers

(a) The Group derives revenue from the transfer of goods at a point in time in the following major segments:

	Year ended December 31	
	2023	2022
Brand management – sales of goods	$ 637,155	$ 643,881
Automotive electronics	647,464	627,210
	$ 1,284,619	$ 1,271,091

(b) The Group derives revenue from the transfer of services over time in the following major segments:

	Year ended December 31	
	2023	2022
Brand management – sales of services	$ 92,555	$ 81,986
Asset activation – rents	149,504	133,324
	$ 242,059	$ 215,310

Note 1: Brand management is operated by Taiwan segment.

Note 2: Automotive electronics and asset activation are operated by AAL segment.

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Sales of goods and products	$ 74,690	$ 85,043	$ 88,318
Pre-sales of properties	472,538	278,837	163,835
	$ 547,228	$ 363,880	$ 252,153

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales of goods	$ 83,216	$ 87,651

(23) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 13,473	$ 6,048
Other interest income	53	623
	$ 13,526	$ 6,671

(24) Other income

	Year ended December 31	
	2023	2022
Rental income	$ 9,214	$ 11,030
Dividend income	4,941	6,423
Income from endorsements and guarantees	34,187	3,004
Other income	3,570	3,652
	$ 51,912	$ 24,109

(25) Other gains and losses

	Year ended December 31	
	2023	2022
Losses on disposals of property, plant and equipment	($ 8,687)	($ 1,205)
Gains arising from lease modifications	-	212
Net currency exchange gains	5,023	15,656
Gains (losses) on change in value of financial assets at fair value through profit or loss	1,732	(1,131)
Others	(530)	(2,182)
	($ 2,462)	$ 11,350

(26) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 29,143	$ 17,352
Interest expense on lease liabilities	1,032	1,414
Less: Capitalisation of qualifying assets	(19,290)	(7,918)
	$ 10,885	$ 10,848

(27) Employee benefits, depreciation and amortisation expenses

	Year ended December 31	
	2023	2022
Employee benefit expense		
Wages and salaries	$ 210,747	$ 201,440
Labour and health insurance fees	15,359	14,883
Pension costs	8,852	8,445
Other employee benefit expense	13,420	12,543
	$ 248,378	$ 237,311
Depreciation charge	$ 61,914	$ 65,967
Amortisation charge	$ 10,159	$ 9,311

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration. Independent directors do not participate in the distribution. If the Company has accumulated deficit, earnings should be retained to cover losses. The employees' compensation will be distributed in the form of shares or cash. The recipients of aforementioned employees' compensation include the employees of the Company's subsidiaries who meet certain specific requirements set by the Board of Directors. The aforementioned distributable profit of the current year is profit of the current year before deducting taxes, employees' compensation and directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $3,295 and $4,648, respectively; while directors' remuneration was accrued at $3,295 and $3,718, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were both estimated and accrued based on 3% of distributable profit of current year for the year ended December 31, 2023.

Employees' compensation and directors' remuneration for 2022 amounting to $4,648 and $3,718, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expenses

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 41,666	$ 32,905
Tax on undistributed surplus earnings	376	5,392
Prior year income tax under (over)	7,746	(5,384)
Deferred tax:		
Origination and reversal of temporary differences	(8,597)	(15,675)
Income tax expenses	$ 41,191	$ 17,238

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2023	2022
Currency translation differences	($ 7,634)	$ 9,442
Remeasurements of defined benefit plans	(75)	703
	($ 7,709)	$ 10,145

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 59,687	$ 46,917
Expenses disallowed by tax regulation	1,797	867
Effect on permanent differences of income tax	(436)	(2,259)
Tax exempt income by tax regulation	(13,833)	(29,756)
Loss carryforward not recognised as defferred tax asset	(360)	897
Temporary differences not recognised as deferred tax assets	289	1,156
Tax losses not recognised as deferred tax assets	1,158	1,190
Change in assessment of realisation of deferred tax assets	(15,233)	(1,784)
Prior year income tax under (over) estimation	7,746	(5,382)
Tax on undistributed earnings	376	5,392
Income tax expenses	$ 41,191	$ 17,238

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Others	December 31
－Deferred tax assets:					
Temporary differences:					
Unrealised inventory valuation loss	$ 6,181	$ 1,996	$ -	($ 170)	$ 8,007
Loss allowance	13,839	(718)	-	(246)	12,875
Unrealised after-sale service fees	2,486	192	-	(88)	2,590
Remeasurements of defined benefit	263	-	21	-	284
Currency translation differences	66,040	-	7,634	-	73,674
Loss carryforward	14,858	(13,602)	-	-	1,256
	$ 103,667	($ 12,132)	$ 7,655	($ 504)	$ 98,686
－Deferred tax liabilities:					
Remeasurements of defined benefit	(163)	-	54	-	(109)
Reserve for land value increment tax	(25,517)	-	-	-	(25,517)
Gain on long-term equity investments	(21,540)	20,282	-	-	(1,258)
Others	(12,124)	447	-	(202)	(11,879)
	($ 59,344)	$ 20,729	$ 54	($ 202)	($ 38,763)
	$ 44,323	$ 8,597	$ 7,709	($ 706)	$ 59,923

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Others	December 31
－Deferred tax assets:					
Temporary differences:					
Unrealised inventory valuation loss	$ 5,336	$ 724	$ -	$ 121	$ 6,181
Loss allowance	13,505	130	-	204	13,839
Unrealised after-sale service fees	158	2,273	-	55	2,486
Remeasurements of defined benefit	803	-	(540)	-	263
Currency translation differences	75,482	-	(9,442)	-	66,040
Loss carryforward	60,516	(45,658)	-	-	14,858
	$ 155,800	($ 42,531)	($ 9,982)	$ 380	$ 103,667
－Deferred tax liabilities:					
Remeasurements of defined benefit	-	-	(163)	-	(163)
Reserve for land value increment tax	(25,517)	-	-	-	(25,517)
Gain on long-term equity investments	(80,383)	58,843	-	-	(21,540)
Others	(10,291)	(637)	-	(1,196)	(12,124)
	(116,191)	58,206	(163)	(1,196)	(59,344)
	$ 39,609	$ 15,675	($ 10,145)	($ 816)	$ 44,323

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company and domestic subsidiaries are as follows:

December 31, 2023				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry date
2014	465,937	$ 96,924	$ 96,924	2024
2015	14,352	11,952	11,952	2025
2017	121,674	120,090	84,172	2027
2018	41,446	38,446	417	2028
2019	87,526	83,701	83,358	2029
2020	5,163	5,163	5,163	2030
2021	45,948	40,019	40,019	2031
2022	10,436	10,436	10,436	2032
2023	5,790	5,790	5,790	2033
	$ 798,272	$ 412,521	$ 338,231	

December 31, 2022				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry date
2014	465,937	$ 169,502	$ 169,502	2024
2015	14,352	11,952	11,952	2025
2017	121,674	120,090	84,172	2027
2018	41,446	38,446	417	2028
2019	87,526	83,701	83,358	2029
2020	5,163	5,163	5,163	2030
2021	45,948	40,019	40,019	2031
2022	10,436	10,436	10,436	2032
	$ 792,482	$ 479,309	$ 405,019	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 70,753	$ 146,915

F. The income tax returns of the Company and domestic subsidiaries that have been assessed and approved by the Tax Authority are as follows:

Company name	Year assessed
The Company	2021
REALISE TECH-SERVICE CO., LTD.	2021
FAR YEAR CONSTRUCTION CO., LTD.	2021

(29) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 108,993	277,158	$ 0.39
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 108,993	277,158	
Employees' compensation	-	237	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 108,993	$ 277,395	$ 0.39

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit from continuing operations attributable to the parent	$ 91,774	277,158	$ 0.33
Diluted earnings per share			
Profit from continuing operations attributable to the parent	$ 91,774	277,158	
Employees' compensation	-	347	
Profit from continuing operations attributable to the parent plus assumed conversion of all dilutive potential ordinary shares	$ 91,774	$ 277,505	$ 0.33

(30) Changes in liabilities from financing activities

	2023				
	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	$ 190,000	$ 706,315	$ 22,189	$ 61,745	$ 980,249
Changes in cash flow from financing activities	-	325,635	3,468	(25,451)	303,652
Changes in lease liabilities	-	-	-	12,267	12,267
Impact of changes in foreign exchange rate	-	-	(13)	(40)	(53)
At December 31	$ 190,000	$ 1,031,950	$ 25,644	$ 48,521	$ 1,296,115

	2022				
	Short-term borrowings	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	$ 394,910	$ 352,821	$ 20,388	$ 41,365	$ 809,484
Changes in cash flow from financing activities	(203,156)	353,494	1,608	(27,750)	124,196
Changes in lease liabilities	-	-	-	48,079	48,079
Impact of changes in foreign exchange rate	(1,754)	-	193	51	(1,510)
At December 31	$ 190,000	$ 706,315	$ 22,189	$ 61,745	$ 980,249

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
DEDE TECHNOLO GY (SHENZHEN) CO., LTD. (DEDE)	Associate
YOU YUAN LAI INVESTMENT LTD. (YOU YUAN LAI)	Other related party
BEST DENKI LTD. (BEST)	Other related party (Note 1)

Note 1: On December 7, 2017, the Board of Directors of BEST DENKI LTD. passed a dissolution resolution. On December 25, 2017, the shareholders at their extraordinary general meeting approved to set the date of dissolution on December 31, 2017. As of the report date, the

liquidation was still in progress.

(2) Significant related party transactions

A. Endorsement Guaranteed Income (shown as other income)

	December 31, 2023	December 31, 2022
Associates	$ 34,187	$ 2,994

B. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Other related parties	$ 4,866	$ 4,866
Less: Loss allowance	(4,866)	(4,866)
Other receivables:	$ -	$ -
Other related parties		
-BEST	$ 93,325	$ 93,325
-YOU YUAN LAI	1,050	-
Associates:		
-DEDE	519	-
Less: Loss allowance	(79,369)	(74,469)
	$ 15,525	$ 18,856

C. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
Other parties	$ 164	$ 131

D. Endorsements and guarantees provided to related parties

	December 31, 2023	December 31, 2022
Associates		
-DEDE	$ 311,544	$ 317,376

The Group provided its equity interest in DEDE as the guarantee for bank borrowings of DEDE. The guarantee facility was RMB 72 million. Refer to Note 8 and table 2 for details.

E. The Group issued guarantee notes of $50,000 thousand to YOU YUAN LAI as the performance guarantee for a development project of 'Yisheng Zhihui Science and Technology Park'. Refer to Note 9(4) for the details of aforementioned development project.

(3) Key management compensation

	2023	2022
Short-term employee benefits	$ 39,147	$ 46,447

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged assets	December 31, 2023	December 31, 2022	Purpose
Investments accounted for using the equity method	$ 570,345	$ 589,109	Guarantees for associate's borrowings
Investment property - land and buildings	87,476	89,091	Bank borrowings
Property, plant and equipment - land and buildings	-	44,091	Bank borrowings
Inventories - construction in progress	101,145	55,847	Bank borrowings
Guarantee deposits paid	1,000	1,000	Guarantees for purchasing materials
	$ 759,966	$ 779,138	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) As of December 31, 2023 and 2022, the guarantee notes issued by the Group for unsecured loan facilities amounted to $1,642,300 and $1,642,300, respectively.

(2) As of December 31, 2023 and 2022, the outstanding usance letters of credit issued by the Group for purchasing goods and raw materials amounted to $35,087 and $26,301, respectively.

(3)The Group launched a 'Yishengzhihui Science and Technology Park' development project and proceeds from property pre-sale contracts with customers are as follows:

	December 31, 2023	December 31, 2022
Contract price of sales contracts singed (tax included)	$ 2,367,650	$ 1,315,230
Amount collected as agreed (tax excluded) (Shown as 'contract liabilities - current')	$ 472,538	$ 278,837

(4) As of December 31, 2023, the total amount of construction and commissioning contract for the 'Yishengzhihui Science and Technology Park area A and area B' development project was approximately $1,431,700 and $1,293,386. As of December 31, 2023, the consideration paid amounted to $14,868 and $1,006,632, respectively.

(5) Details of marketing agreement entered into by the Group as of December 31, 2023 are as follows:

Name of project	Contract signing date	Sale period
Yishengzhihui Science and Technology Park area B	2023.12.31	Until June 30, 2024

(6) Details of the Group's trust agreement with a financial institution and type of trust for construction in progress as of December 31, 2023 are as follows:

Name of project	Type of trust	Trust bank
Yishengzhihui Science and Technology Park area A	Real estate transaction trust	Trust department of Chang Hwa Commercial Bank
Yishengzhihui Science and Technology Park area B	Real estate transaction trust	Trust department of First Commercial Bank

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Details of the appropriation of 2023 earnings as proposed by the Board of Directors on March 12, 2024 are provided in Note 6(20).

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 47,577	$ 46,687
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 76,042	$ 111,765
Financial assets at amortised cost	$ 1,207,910	$ 933,044

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost	$ 1,636,327	$ 1,245,166
Lease liabilities (including current and non -current)	$ 48,521	$ 61,745

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable, financial assets at amortised cost – current, other receivables , other financial assets – current and guarantee deposits paid; financial liabilities at amortised cost include short-term borrowings, accounts payable, other payables, long-term liabilities, current portion, long-term borrowings and guarantee deposits received.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's financial policy tends toward conservatism principle, and therefore the Group does not operate the high-risk and complex derivative financial instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: MYR and RMB). The information on assets and liabilities denominated in

foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:HKD	$ 1,131	7.82	$ 34,729
USD:RMB	1,204	7.10	36,962
USD:SGD	3,473	1.32	106,644
USD:NTD	758	30.71	23,263
USD:MYR	7,650	4.59	234,901
Financial liabilities			
Monetary items			
USD:HKD	$ 864	30.71	$ 26,527

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:HKD	$ 1,510	7.80	$ 46,364
USD:RMB	1,234	6.97	37,903
USD:SGD	740	1.34	22,734
USD:NTD	4,361	30.71	133,931
USD:MYR	6,283	4.42	192,944
Financial liabilities			
Monetary items			
USD:HKD	$ 89	7.80	$ 2,740
USD:NTD	779	30.71	20,378
USD:MYR	664	4.42	23,923

iv. Total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to a gain of $5,023 and a gain of $15,656, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:HKD	1%	$ 347	$ -
USD:RMB	1%	370	-
USD:SGD	1%	1,066	
USD:NTD	1%	233	-
USD:MYR	1%	2,349	-
Financial liabilities			
Monetary items			
USD:NTD	1%	265	-

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:HKD	1%	$ 464	$ -
USD:RMB	1%	379	-
USD:SGD	1%	227	
USD:NTD	1%	1,339	-
USD:MYR	1%	1,929	-
Financial liabilities			
Monetary items			
USD:HKD	1%	27	-
USD:NTD	1%	239	-
USD:MYR	1%	204	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% or liquidity discount rate had changes by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $476 and $467, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $760 and $1,118, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's borrowings are fixed-rate debts. The changes in market interest rates do not affect future cash flows, and thus the Group is not exposed to cash flow risk arising from interest rate changes.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $8,256 and $5,651, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

v. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 158,549	$ 17,172	$ 71,657	$ 13,748
Up to 30 days	1,335	-	236	-
31 to 90 days	2,892	-	344	-
91 to 180 days	890	-	8	-
Over 180 days	45,076	-	53,406	-
	$ 208,742	$ 17,172	$ 125,651	$ 13,748

The above ageing analysis was based on past due date.

vi. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group used the forecastability of data obtained from the Business Indicators Data Base of the National Development Council and the Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate is as follows:

	Individual	Group A	Group B	Group C	Total
December 31, 2023					
Expected loss rate	100%	0.03%	0.94%	0.03%~0.09%	
Total book value	$ 45,201	$ 88,435	$ 69,329	$ 22,949	$ 225,914
Loss allowance	$ 45,201	$ -	$ 650	$ -	$ 45,851

	Individual	Group A	Group B	Group C	Total
December 31, 2022					
Expected loss rate	100%	0.03%	5.00%	0.03%~0.09%	
Total book value	$ 53,375	$ 65,932	$ 12,025	$ 8,067	$ 139,399
Loss allowance	$ 53,375	$ 13	$ 652	$ -	$ 54,040

Group A: Customers in Taiwan.

Group B: Customers in Mainland China.

Group C: Customer in Malaysia.

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for receivables are as follows:

	2023
	Receivables
At January 1	$ 54,040
Reversal of credit impairment loss	(7,401)
Effect of exchange rate changes	(788)
At December 31	$ 45,851

	2022
	Receivables
At January 1	$ 45,928
Credit impairment loss	7,461
Effect of exchange rate changes	651
At December 31	$ 54,040

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Over 1 year
Long-term borrowings(including current portion)	$ 844,201	$ 225,497
Lease liabilities	20,718	29,886

Non-derivative financial liabilities:

December 31, 2022	Within 1 year	Over 1 year
Long-term borrowings	$ 563,203	$ 161,755
Lease liabilities	23,967	39,816

Except for the abovementioned, all of the Group's non-derivative financial liabilities mature within 1 year.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. The Group's financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, notes payable, accounts payable and other payables (including related parties) , long-term liabilities, current portion and long-term borrowings are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 47,577	$ -	$ -	$ 47,577
Financial assets at fair value through other comprehensive income	$ 76,042	$ -	$ -	$ 76,042
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ 46,687	$ -	$ -	$ 46,687
Financial assets at fair value through other comprehensive income	$ 111,765	$ -	$ -	$ 111,765

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Emerging stocks	Closed-end fund	Open-end fund
Market quoted price	Closing price	Closing price	Net asset value

ii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

Information on significant transactions as of and for the year ended December 31, 2023 in conformity with the Rules Governing the Preparation of Financial Statements by Securities Issuers is as follows. In addition, inter-company transactions between companies were eliminated. The following disclosures are for reference only:

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

(1) General information

The Company's management considers the business and makes decisions from a group system and a geographic perspective. The reportable operating segments are ACTION ASIA LTD. group (AAL), ALMOND GARDEN CORP. group (AGC) and the operating segment in Taiwan.

(2) Measurement of segment information

The Group evaluates performance of each operating segment based on post-tax profit. All operating segments apply the same accounting policies as detailed in Note 4 of the consolidated financial statements. Loans between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2023	AAL segment	AGC segment	Taiwan segment	Reconciliation and elimination	Total
Revenue from external customers	$ 796,969	$ -	$ 729,709	$ -	$ 1,526,678
Inter-segment revenue	140	1,617	1,143	(2,900)	-
Total segment revenue	$ 797,109	$ 1,617	$ 730,852	($ 2,900)	$ 1,526,678
Segment income (loss)	$ 248,631	($ 2,323)	$ 101,452	($ 197,576)	$ 150,184
Segment income (loss), including:					
Depreciation and amortisation	($ 37,312)	$ -	($ 34,761)	$ -	($ 72,073)
Income tax (benefit) expenses	($ 46,927)	$ -	$ 5,736	$ -	($ 41,191)
Segment assets	$ 2,450,791	$ 844,707	$ 5,180,203	($ 3,320,592)	$ 5,155,109
Segment liabilities	$ 403,684	$ 3,450	$ 2,146,870	($ 210,591)	$ 2,343,413

Year ended December 31, 2022	AAL segment	AGC segment	Taiwan segment	Reconciliation and elimination	Total
Revenue from external customers	$ 760,534	$ -	$ 725,867	$ -	$ 1,486,401
Inter-segment revenue	-	-	-	-	-
Total segment revenue	$ 760,534	$ -	$ 725,867	$ -	$ 1,486,401
Segment income (loss)	$ 176,375	($ 631)	($ 66,732)	$ -	$ 109,012
Segment income (loss), including:					
Depreciation and amortisation	($ 39,426)	$ -	($ 36,199)	$ 347	($ 75,278)
Income tax (benefit) expenses	($ 37,508)	$ 13,087	$ 7,183	$ -	($ 17,238)
Segment assets	$ 2,418,733	$ 820,280	$ 4,567,263	($ 3,182,355)	$ 4,623,921
Segment liabilities	$ 442,004	$ 3,208	$ 1,513,362	($ 164,894)	$ 1,793,680

(4) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

B. The adjusted consolidated total profit and reconciliation for post-tax profit of reportable segment for the current period are provided in Note 14(3).

(5) Information on products

Please refer to Note 6(22) for related information.

(6) Geographical information

Information on sales regions for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 524,985	$ 669,594	$ 725,867	$ 649,640
Mainland China	155,150	832,199	149,262	878,866
US	499,909	-	344,465	-
Others	346,634	61,797	266,807	53,045
	$ 1,526,678	$ 1,563,590	$ 1,486,401	$ 1,581,551

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Customer A	$ 333,098	AAL	$ 221,215	AAL
Customer C	105,164	Taiwan	120,513	Taiwan
Customer B	71,817	AAL	153,981	AAL
	$ 510,079		$ 495,709	

Action Electronics Co., Ltd. and its subsidiaries

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
1	Action Electronics Co., Ltd.	FAR YEAR CONSTRUCTION CO., LTD.	Other receivables - related parties	Yes	$ 200,000	$ 200,000	$ 100,000	2.1%	2	$ -	Working capital	$ -	-	-	$ 1,124,678	$ 1,124,678	
1	ACTION INDUSTRIE S (M) SDN. BHD.	ACTION ELECTRONICS CO., LTD.	Other receivables - related parties	Yes	32,425	-	-	4.0%		-	Working capital	-	-	-	$ 391,746	$ 391,746	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The numbers filled in for the nature of loan are as follows:

(1) Business transaction is '1'.

(2) Short-term financing is '2'.

Note 3: In accordance with the regulations governing loans to others, ceiling on total loans granted is 40% of the net asset value of the creditor in the most recent financial statements; limit on loans granted to a single party is 40% of the net asset value of the creditor in the most recent financial statements. However, loans granted to foreign companies whose voting rights are 100% directly or indirectly owned by the Company are not subject to the aforementioned restrictions, but ceiling on total loans granted and limit on loans granted to a single party is no higher than 200% of the net asset value of the creditor.

Action Electronics Co., Ltd. and its subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Notes 3 and 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Notes 3 and 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	2	$ 2,811,696	$ 2,200,000	$ 2,200,000	$ 771,950	$ 2,200,000	78.24	$ 4,217,544	Y	N	N	
1	ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	2	2,047,107	85,269	81,479	-	-	2.90	3,070,661	Y	N	N	
2	ACTION ASIA (SHENZHEN) CO., LTD.	DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	6	824,861	320,040	311,544	311,544	311,544	11.08	1,237,292	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary

(3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company as required under the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities, and all other events involving endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", ceiling on total amount of endorsements/guarantees provided by the Company and limit on endoresements/guarantees provided to a single party, as well as limit on endorsements/guarantees granted by the Company and its subsidiaries as a whole are as follows:

(1) Ceiling on the accumulated total endoresements/guarantees granted is 1.5 times of the net asset value in latest audited or reviewed financial statements.

(2) Limit on endorsements/guarantees granted by the Company and its subsidiaries to a single party is the net asset value in latest audited or reviewed financial statements of the Company or its subsidiaries.

(3) Limit on total endorsements/guarantees granted by the Company and subsidiaries as a whole is 1.5 times of the net asset value in latest audited or reviewed financial statements of the Company and its subsidiaries.

Action Electronics Co., Ltd. and its subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Fair value	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of Clientron Corp.	-	Financial assets at fair value through other comprehensive income - current	4,941	$ 76,042	0.08	$ 76,042	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of TOA Optronics Corporation.	-	Financial assets at fair value through profit or loss - non-current	1,283	-	0.07	-	
ALMOND GARDEN CORP.	Ordinary stocks of BLOOMING ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	455	-	0.15	-	
REALISE TECH-SERVICE CO., LTD.	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	284	2,673	-	2,673	
ACTION ASIA (SHENZHEN) CO., LTD.	CCB Wealth Management HuiZhong (RiShen Zhoushu) Open-end Net Worth RMB Financial Investment Product	-	Financial assets at fair value through profit or loss - current	Note 5	44,904	-	44,904	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities. in accordance with IFRS 9, ‘Financial instruments

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The Company held 9,746,161.2307 thousand shares as of December 31, 2023.

Action Electronics Co., Ltd. and its subsidiaries

Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

		Transaction					Different situations and reasons of trading conditions and general trading		General ledger account		
Company name	Counterparty	Relationship	Purchase or sale	Amount	Percentage of total purchase or total sales	Credit period	Price	Credit period	Balance	Percentage of total notes receivable or total account receivable	Footnote
ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	ACTION INDUSTRIES(M) SDN. BHD.	Sister company	Sales	$ 297,239	12%	60 days after monthly billings	Sales price was negotiated by each other	60 days after monthly billings	$ 25,621	9%	

Note 1：Transactions with related parties were disclosed with asset and revenue;therefore, relative transactions are not disclosed in the table.

Action Electronics Co., Ltd. and its subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 5)			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	ACTION ELECTRONICS CO., LTD.	REALISE TECH-SERVICE CO., LTD.	1	Sales revenue	$ 16,430	60 days after monthly billings	1%
0	ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	1	Sales revenue	29,410	60 days after monthly billings	2%
0	ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	1	Other receivables - related parties	100,000	2.10%	2%
1	REALISE TECH-SERVICE CO., LTD.	ACTION ELECTRONICS CO., LTD.	2	Sales revenue	21,489	60 days after monthly billings	1%
2	ACTION ASIA (SHENZHEN) CO., LTD.	ACTION INDUSTRIES(M) SDN. BHD.	3	Sales revenue	297,239	60 days after monthly billings	19%
3	ASD ELECTRONICS LIMITED	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Sales revenue	13,216	90 days after monthly billings	1%
4	ACTION INTELLIGENT (SHENZHEN) CO., LTD.	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Technical service revenue	20,458	60 days after monthly billings	1%
5	ACTION INDUSTRIES(M) SDN. BHD.	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Sales revenue	14,828	60 days after monthly billings	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Individual transaction amounts less than 1% of consolidated total operating revenue or consolidated total assets are not disclosed. Transactions from asset and revenue sides are disclosed, an the opposite sides are not disclosed.

Action Electronics Co., Ltd. and its subsidiaries

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
ACTION ELECTRONICS CO., LTD.	ACTION ASIA LTD.	Singapore	A holding and investment company	$ 241,231	$ 241,231	149,511,976	61.54%	$ 1,259,720	$ 201,704	$ 124,122	
ACTION ELECTRONICS CO., LTD.	ALMOND GARDEN CORP.	British Virgin Islands	A holding and investment company	-	-	14,500,000	100.00%	841,258	75,259	75,259	
ACTION ELECTRONICS CO., LTD.	BEST DENKI LTD.	Taiwan	Sale and maintenance of various electronic appliances and home appliances	109,696	109,696	10,970,926	99.74%	-	-	-	In liquidation
ACTION ELECTRONICS CO., LTD.	REALISE TECH-SERVICE CO., LTD.	Taiwan	Repair services of electronic information products	60,000	60,000	6,000,000	100.00%	40,571	3,983	3,828	
ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	Taiwan	Housing, building and industrial factory development and rental and real estate leasing and trading	200,000	200,000	20,000,000	100.00%	157,491	(5,790)	(18,023)	
ALMOND GARDEN CORP.	ASD ELECTRONICS LIMITED	Hong Kong	Research and development and sale	46,200	46,200	4,175,000	100.00%	11,158	(1,121)	(644)	
ALMOND GARDEN CORP.	ACTION ASIA LTD.	Singapore	A holding and investment company	482,845	482,845	93,452,231	38.46%	787,383	201,704	77,582	
ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	Malaysia	Manufacture and sale of car LCD TVs	54,911	54,911	13,200,000	100.00%	180,661	57,841	57,841	
ACTION ASIA LTD.	ACTION ASIA INVESTMENT PTE.LTD	Singapore	A holding and investment company	-	-	1	100.00%	-	-	-	
ACTION INDUSTRIES(M) SDN. BHD.	ACTION-TEK SDN. BHD.	Malaysia	Research and development of consumer electronic products	-	-	2	100.00%	-	821	821	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..

(2)The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Action Electronics Co., Ltd. and its subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to China	Remitted back to Taiwan							
ACTION COMMERCIAL AND TRADING (SHANGHAI) CO., LTD.	LCD TV products	$ 529,218	Invested in Mainland China through a wholly-owned Almond Garden Corp.	$ 529,218	$ -	$ -	$ 529,218	($ 56)	100.00	($ 56)	$ 31,727	$ -	Note 1(2)B.
DONGGUAN JINGWAN PHOTOELECTRICITY CO., LTD.	Manufacture and sale of electronic products and its accessories	100,377	Reinvested in Mainland China through a 14.55%-owned BLOMMING ENTERPRISE CO., LTD of a wholly-owned ALMOND GARDEN CORP.	24,375	-	-	24,375	-	14.55	-	-	-	Note 1(2)B.
SHANGHAI ACTION TECHNOLOGY CO., LTD.	Research and development, manufacture and sale of electronic products and accessories and warehousing services	594,004	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	339,960	-	-	339,960	73,216	100.00	73,216	954,776	131,918	Note 1(2)B.
ACTION ASIA (SHENZHEN) CO., LTD.	Research and development, manufacture and sale of electronic products and accessories	112,750	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	-	-	-	-	90,361	100.00	83,545	817,623	103,717	Note 1(2)B.
DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	Plant leasing services	512,344	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. of a wholly-owned ACTION ASIA LTD.	-	-	-	-	9,296	40.00	(8,104)	570,345	-	Note 1(2)B.
ACTION INTELLIGENT (SHENZHEN) CO., LTD.	Research and development and sale of AI electronic products	4,681	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. held of a wholly-owned ACTION ASIA LTD.	-	-	-	-	312	100.00	312	1,786	-	Note 1(2)B.

Action Electronics Co., Ltd. and its subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ACTION ELECTRONICS CO., LTD.	$ 1,659,363	$ 1,925,361	Note 3

Note 1: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this year.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. The financial statements that are audited and attested by R.O.C. parent company's CPA.

C. Others.

Note 2: The numbers in this table are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 3:The Company obtained the approval of operational headquarters issued by the Industrial Development Bureau, MOEA, which effective as of April 15, 2024.

Note 4: The equity of Huayi Technology (Shenzhen) Co., Ltd. has been transferred in 2017, and the accumulated amount of investment from Taiwan was NTD 670,087 thousand. ,

Note 5: The equity of ACTION TECHNOLOGY (JIAN) CO., LTD. has been transferred in 2021, and the accumulated amount of investment from Taiwan was NTD 356,915 thousand (USD 11,000 thousand). The repatriated investment shares amounted to NTD 261,192,000 (USD 8,800,000).

Action Electronics Co., Ltd. and its subsidiaries

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of shares held (in thousands)	Ownership (%)
PENG CHUIN-PING	20,683	7.46%
TA PO INVESTMENT LTD.	15,500	5.59%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the"Market Observation Post System".

Appendix B

ACTION ELECTRONICS CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

ACTION ELECTRONICS CO., LTD.

DECEMBER 31, 2023 AND 2022 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

Contents			Page/Number/Index
1.	Cover Page		1
2.	Table of Contents		2 ~ 4
3.	Independent Auditors' Report		5 ~ 10
4.	Parent Company Only Balance Sheets		11 ~ 12
5.	Parent Company Only Statements of Comprehensive Income		13
6.	Parent Company Only Statements of Changes in Equity		14
7.	Parent Company Only Statements of Cash Flows		15 ~ 16
8.	Notes to the Parent Company Only Financial Statements		17 ~ 67
	(1)	History and Organisation	17
	(2)	The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	17
	(3)	Application of New Standards, Amendments and Interpretations	17 ~ 18
	(4)	Summary of Significant Accounting Policies	18 ~ 28
	(5)	Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	29
	(6)	Details of Significant Accounts	29 ~ 55

Contents	Page/Number/Index
(7) Related Party Transactions	55 ~ 59
(8) Pledged Assets	59
(9) Significant Contingent Liabilities and Unrecognised Contract Commitments	59
(10) Significant Disaster Loss	59
(11) Significant Events after the Balance Sheet Date	59
(12) Others	59 ~ 66
(13) Supplementary Disclosures	66 ~ 67
(14) Segment Information	67
9. Statements of Major Accounting Items	
Statement of Cash and Cash Equivalents	Statement 1
Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income - Current	Statement 2
Statement of Accounts Receivable	Statement 3
Statement of Inventories	Statement 4
Statement of Changes in Investments Accounted for Using the Equity Method	Statement 5
Statement of Short-Term Borrowings	Statement 6
Statement of Long-Term Borrowings	Statement 7
Statement of Operating Revenue	Statement 8
Statement of Operating Costs	Statement 9
Statement of Selling Expenses	Statement 10

Contents	Page/Number/Index
Statement of Administrative Expenses	Statement 11
Summary Statement of Current Period Employee Benefits, Depreciation, Depletion and Amortization Expenses By Function	Statement 12

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Action Electronics Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Action Electronics Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Intangible assets - impairment of trademark right

Description

Refer to Note 4(18) for accounting policy on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to intangible assets - impairment of trademark right and Note 6(11) for details of intangible assets - trademark right.

The Company's intangible assets are mainly the Kolin trademark. For the Company, the impairment was tested based on the recoverable amount which was measured using the present value of expected future cash flows discounted at an appropriate discount rate. Since the expected future cash flow involves a financial forecast for the next 4 years, and the assumptions applied in the preparation of the forecase are dependent upon subjective judgements and contain a high degree of uncertainties, which have a significant impact on the measurement of recoverable amount, and further affect the estimates of impairment of trademark, we consider the impairment assessment of intangible assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding and assessed the process in which the management estimated future cash flows of such cash-generating unit, and reconciled the future cash flows used with the future annual budget provided by operating segments.

B. Obtained an understanding on the procedure and basis for determining assumptions used by the management to forecast future cash flows.

C. Assessed the key assumptions used by the external appraider engaged by management in the estimation of future cash flows, including assessing the reasonableness of expected operating revenue, gross profit and changes in expenses by comparing to historical results.

D. Reviewed the parameters of discount rates, including the reasonableness of risk-free rate of cost of equity, market risk premium, securities risk premium and size risk premium.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Ya-Hui　　Wu, Han-Chi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 124,611	4	$ 180,894	5
1120	Current financial assets at fair value through other comprehensive income	6(2)	76,042	2	111,765	3
1180	Accounts receivable, net	6(3) and 7	96,605	3	54,280	2
1200	Other receivables	6(4) and 7	116,565	3	20,467	1
130X	Current inventories	6(5) and 8	311,310	9	273,254	8
1470	Other current assets		12,386	-	9,151	-
11XX	**Total current assets**		737,519	21	649,811	19
	Non-current assets					
1550	Investments accounted for using equity method	6(6)	2,299,040	66	2,245,958	66
1600	Property, plant and equipment	6(7) and 8	6,347	-	54,293	2
1755	Right-of-use assets	6(8) and 7	30,983	1	40,043	1
1760	Investment property, net	6(10) and 8	104,240	3	113,717	3
1780	Intangible assets	6(11)	209,256	6	213,823	6
1840	Deferred tax assets	6(27)	75,349	2	81,188	2
1900	Other non-current assets		9,505	1	13,246	1
15XX	**Total non-current assets**		2,734,720	79	2,762,268	81
1XXX	**Total assets**		$ 3,472,239	100	$ 3,412,079	100

(Continued)

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 190,000	6	$ 190,000	6
2130	Current contract liabilities	6(21)	15,458	1	3,025	-
2180	Accounts payable	7	65,577	2	42,461	1
2200	Other payables	6(14) and 7	49,899	1	80,834	3
2250	Current provisions	6(15)	504	-	468	-
2280	Current lease liabilities	7	11,232	-	11,185	-
2320	Long-term liabilities, current portion	6(13)	60,000	2	-	-
2399	Other current liabilities, others		15,605	-	11,987	-
21XX	**Total current liabilities**		408,275	12	339,960	10
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6(13)	200,000	6	160,000	5
2550	Non-current provisions	6(15)	169	-	137	-
2570	Deferred tax liabilities	6(27)	27,145	1	47,875	1
2580	Non-current lease liabilities	7	20,146	-	29,131	1
2600	Other non-current liabilities	6(16)	4,808	-	4,735	-
25XX	**Total non-current liabilities**		252,268	7	241,878	7
2XXX	**Total liabilities**		660,543	19	581,838	17
	Equity					
	Share capital	6(17)				
3110	Common stock		2,771,575	80	2,771,575	81
	Capital surplus	6(18)				
3200	Capital surplus		1,602	-	1,602	-
	Retained earnings	6(19)				
3310	Legal reserve		55,352	2	45,893	1
3320	Special reserve		366,594	11	242,116	7
3350	Unappropriated retained earnings		116,215	3	202,434	6
	Other equity interest	6(20)				
3400	Other equity interest		(499,642)	(15)	(433,379)	(12)
3XXX	**Total equity**		2,811,696	81	2,830,241	83
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 3,472,239	100	$ 3,412,079	100

The accompanying notes are an integral part of these parent company only financial statements.

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(21) and 7	$ 575,953	100	$ 555,983	100
5000	Operating costs	6(5)(26) and 7	(475,913)	(82)	(450,495)	(81)
5900	Gross profit from operations		100,040	18	105,488	19
	Operating expenses	6(26) and 7				
6100	Selling expenses		(112,225)	(19)	(114,497)	(21)
6200	Administrative expenses		(72,225)	(13)	(74,509)	(13)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(4,888)	(1)	81	-
6000	Total operating expenses		(189,338)	(33)	(188,925)	(34)
6900	Net operating loss		(89,298)	(15)	(83,437)	(15)
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	3,915	1	1,839	-
7010	Other income	6(23) and 7	21,834	4	22,337	4
7020	Other gains and losses	6(24)	(7,918)	(2)	7,019	1
7050	Finance costs	6(25)	(10,462)	(2)	(8,313)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method	6(6)	185,186	32	145,146	26
7000	Total non-operating income and expenses		192,555	33	168,028	30
7900	**Profit before income tax**		103,257	18	84,591	15
7950	Income tax expense	6(27)	5,736	1	7,183	1
8200	**Profit (loss) for the year**		$ 108,993	19	$ 91,774	16
	Other comprehensive income					
	Components of other comprehensive income that wii not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(16)	($ 105)	-	$ 594	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(20)	(35,723)	(6)	(54,401)	(10)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(216)	-	2,339	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		21	-	(119)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(36,023)	(6)	(51,587)	(9)
	Components of other comprehensive income that wii be reclassified to profit or loss					
8361	Exchange differences on translation	6(20)	(38,174)	(7)	47,211	9
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)	7,634	1	(9,442)	(2)
8360	Components of other comprehensive income that will be reclassified to profit or loss		(30,540)	(6)	37,769	7
8300	**Other comprehensive income**		($ 66,563)	(12)	($ 13,818)	(2)
8500	**Total comprehensive income**		$ 42,430	7	$ 77,956	14
	Earnings per share	6(28)				
9750	Basic earnings per share		$	0.39	$	0.33
9850	Diluted earnings per share		$	0.39	$	0.33

The accompanying notes are an integral part of these parent company only financial statements.

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Ordinary share	Capital surplus	Retained Earnings			Other equity interest		Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
2022									
Balance at January 1.		$ 2,771,575	$ 1,602	$ 24,671	$ 239,553	$ 214,778	($ 518,970)	$ 102,223	$ 2,835,432
Profit for the year		-	-	-	-	91,774	-	-	91,774
Other comprehensive income for the year		-	-	-	-	2,814	37,769	(54,401)	(13,818)
Total comprehensive income		-	-	-	-	94,588	37,769	(54,401)	77,956
Appropriation and distibution of 2021 retained earnings	6(19)								
Legal reserve appropriaed		-	-	21,222	-	(21,222)	-	-	-
Special reserve appropriaed		-	-	-	2,563	(2,563)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(83,147)	-	-	(83,147)
Balance at December 31.		$ 2,771,575	$ 1,602	$ 45,893	$ 242,116	$ 202,434	($ 481,201)	$ 47,822	$ 2,830,241
2023									
Balance at January 1.		$ 2,771,575	$ 1,602	$ 45,893	$ 242,116	$ 202,434	($ 481,201)	$ 47,822	$ 2,830,241
Profit for the year		-	-	-	-	108,993	-	-	108,993
Other comprehensive loss		-	-	-	-	(300)	(30,540)	(35,723)	(66,563)
Total comprehensive income		-	-	-	-	108,693	(30,540)	(35,723)	42,430
Appropriation and distibution of 2022 retained earnings	6(19)								
Legal reserve appropriaed		-	-	9,459	-	(9,459)	-	-	-
Special reserve appropriaed		-	-	-	124,478	(124,478)	-	-	-
Cash dividends of ordinary share		-	-	-	-	(60,975)	-	-	(60,975)
Balance at December 31.		$ 2,771,575	$ 1,602	$ 55,352	$ 366,594	$ 116,215	($ 511,741)	$ 12,099	$ 2,811,696

The accompanying notes are an integral part of these parent company only financial statements.

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 103,257	$ 84,591
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	14,724	16,908
Amortisation	6(26)	9,345	8,198
Expected credit (gain) loss		4,888	(81)
Loss on financial assets at fair value through profit or loss	6(24)	-	830
Interest income	6(22)	(3,915)	(1,839)
Dividend income	6(23)	(4,941)	(6,423)
Interest expense	6(25)	10,462	8,313
Share of profit of subsidiaries and associates accounted for using the equity method	6(6)	(185,186)	(145,146)
Loss on disposal of property, plant and equipment	6(24)	8,578	-
Gain from lease modification		-	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	3,174
Accounts receivable		(47,213)	33,331
Other receivables		4,080	9,859
Inventories		7,243	1,713
Other current assets		2,348	9,615
Changes in operating liabilities			
Contract liabilities		12,433	(818)
Accounts payable		23,116	(8,034)
Other payables		(2,699)	(20,741)
Provisions		68	429
Net defined benefit liability		107	(597)
Other current liabilities		3,618	(4,120)
Cash outflow generated from operations		(39,687)	(10,948)
Interest received		3,915	1,839
Dividends received		98,656	300,643
Interest paid		(10,462)	(8,313)
Income taxes paid		(5,583)	(163)
Net cash flows from operating activities		46,839	283,058

(Continued)

ACTION ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Dcrease in financial assets at amortised cost		$ -	$ 77,504
Acquisition of property, plant and equipment	6(7)	(2,370)	(1,195)
Acquisition of intangible assets	6(11)	(263)	(949)
Disposal of property, plant and equipment		13,866	-
Acquisition of investment property	6(10)	(12,684)	-
Inecrease in other receivables - related parties		(100,178)	-
Increase in other non-current assets		(474)	(7,564)
Increase in refundable deposits		1,100	(1,747)
Net cash flows (used in) from investing activities		(101,003)	66,049
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings	6(29)	200,000	-
Decrease in long-term borrowings	6(29)	(100,000)	-
Decrease in short-term borrowings	6(29)	-	(122,963)
Increase in other payables - related parties		(29,842)	3,060
Increase in guarantee deposits received	6(29)	(34)	(295)
Payments of lease liabilities	6(29)	(11,268)	(11,584)
Cash dividends paid		(60,975)	(83,147)
Net cash flows used in financing activities		(2,119)	(214,929)
Net (decrease) increase in cash and cash equivalents		(56,283)	134,178
Cash and cash equivalents at beginning of year		180,894	46,716
Cash and cash equivalents at end of year		$ 124,611	$ 180,894

The accompanying notes are an integral part of these parent company only financial statements.

ACTION ELECTRONICS CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Action Electronics Co., Ltd. (the "Company") was incorporated on July 21, 1976 and transferred its listing from the Taipei Exchange to the Taiwan Stock Exchange in August 2000. The Company is primarily engaged in the trade of audio-visual electronic products, various home appliances and other related products, housing and building development and rental, etc.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Stantards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Stantards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Stantards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

A. Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

B. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

C. Translation of foreign operations

(a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be deferred unconditionally for at least twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are initially recorded at cost. Borrowing costs incurred during the construction period (construction in progress) are capitalised. The cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Ending inventories are stated at the lower of cost and net realisable value. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(13) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.

D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

H. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

I . When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss.

J . Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 56 years
Machinery and equipment	5 ~ 9 years
Office equipment	3 ~ 6 years
Other equipment	3 ~ 5 years

(15) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Borrowing costs incurred during the construction period are capitalised. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3 ~ 66 years.

(17) Intangible assets

A. Trademarks and patents

Separately acquired trademarks and patents are stated at historical cost. Trademarks and patents acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and patents have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 2 to 50 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

（18） Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Notes and accounts payable

A. Accounts payable are liabilities for purchases of goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(22) Provisions

Provisions (including warranties, etc.) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pension

(a) Defined contribution plan

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds at the balance sheet date that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability

ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past-service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

(a) The Company manufactures and sells audio-visual electronic products, a variety of home appliances and other related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales is recognised based on the price specified in the contract, net of the estimated sales returns, discounts and other allowances. Accmulated experience is used to estimate and provide for the sales returns, discounts and other allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability (shown as other current liabilities) and an asset recognised as right to recover products from customers (shown as other current assets, others) are recognised for expected sales returns and allowances payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

(c) The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.

(d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Intellectual property licensing income

The Company entered into a contract with a customer to grant a licence of trademarks to the customer. Given the licence is distinct from other promised goods or services in the contract, the Company recognises the revenue from licencing when the licence transfer to a customer.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

There were no critical judgements in applying the Company's accounting policies during the year.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of intangible assets(assessment of trademark impairment)

The Company assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

Details of the Company's intangible assets with trademark as of December 31, 2023 are provided in Note 6(11).

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

Details of the carrying amount of inventories as of December 31, 2023 are provided in Note 6(5).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 210	$ 455
Checking accounts and demand deposits	124,401	106,735
Time deposits	-	73,704
	$ 124,611	$ 180,894

A. The Company associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Current items：		
Equity instruments		
Emerging stocks	$ 63,943	$ 63,943
Valuation adjustment	12,099	47,822
	$ 76,042	$ 111,765

A. The Company has elected to classify strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $76,042 and $111,765 as at December 31, 2023 and 2022, respectively.

B. For the years ended December 31, 2023 and 2022, the amounts of fair value changes recognised in other comprehensive income for financial assets at fair value through other comprehensive income were $35,723 and $54,401, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was $76,042 and $111,765, respectively.

D. As at December 31, 2023 and 2022, the Company has no pledge financial assets at fair value through other comprehensive income to others as collateral.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 12,657	$ 9,899
Accounts receivable(including related parties)	88,639	49,084
Less: Loss allowance	(4,691)	(4,703)
	$ 96,605	$ 54,280

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $92,314.

B. As of December 31, 2023 and 2022, the Company has no notes and accounts receivable pledged to others.

C. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Other receivables

	December 31, 2023	December 31, 2022
Other receivables-related parties	$ 195,867	$ 94,784
Others	67	152
	$ 195,934	$ 94,936
Less: Loss allowance	(79,369)	(74,469)
	$ 116,565	$ 20,467

Other receivables-related parties are provided in Note 7.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 152,705	($ 5,937)	$ 146,768
Inventory in transit	25,458	-	25,458
Construction in progress	139,084	-	139,084
	$ 317,247	($ 5,937)	$ 311,310

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Finished goods	$ 4	($ 3)	$ 1
Merchandise	171,697	(4,625)	167,072
Inventory in transit	12,396	-	12,396
Construction in progress	93,785	-	93,785
	$ 277,882	($ 4,628)	$ 273,254

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 435,456	$ 413,207
Losses on inventory valuation	1,309	266
Others	39,148	37,022
	$ 475,913	$ 450,495

Information on inventories-construction in progress pledged to others as collateral is provided Note 8.

(6) Investments accounted for using equity method

A. Details are as follows：

	Year ended December 31	
	2023	2022
ACTION ASIA LTD.(AAL)	$ 1,259,720	$ 1,216,412
ALMOND GARDEN CORP.(AGC)	841,258	817,073
FARYEAR CONSTRUCTION CO., LTD.	157,491	175,514
REALISE TECH-SERVICE CO., LTD.	40,571	36,959
	$ 2,299,040	$ 2,245,958

B. For the years ended December 31, 2023 and 2022, the share of profit or loss of subsidiaries for using the equity method is as follows:

	Year ended December 31	
	2023	2022
ACTION ASIA LTD.(AAL)	$ 124,122	$ 85,454
ALMOND GARDEN CORP.(AGC)	75,259	65,868
FARYEAR CONSTRUCTION CO., LTD.	(18,023)	(11,551)
REALISE TECH-SERVICE CO., LTD.	3,828	5,375
	$ 185,186	$ 145,146

C. The Company's net investment income or loss accounted for using equity method are recognized based on the financial reports of the subsidiaries that have been audited by accountants during the same period.

D. As of December 31, 2023 and 2022, the amounts of the oversea subsidiarys' dividends was $93,715 and $294,220, respectively..

E. Please refer to Note 4(3) in the 2023 consolidated financial statements for the information regarding the Company's subsidiaries.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
January 1, 2023						
Cost	$ 41,945	$ 38,711	$ 7,225	$ 4,278	$ 3,067	$ 95,226
Accumulated depreciation	-	(30,431)	(6,012)	(3,403)	(1,087)	(40,933)
	$ 41,945	$ 8,280	$ 1,213	$ 875	$ 1,980	$ 54,293
Year ended December 31, 2023						
Opening net book amount as at January 1	$ 41,945	$ 8,280	$ 1,213	$ 875	$ 1,980	$ 54,293
Additions	-	216	-	138	2,016	2,370
Disposals	(5,473)	(16,738)	(233)	-	-	(22,444)
Reclassifications	(33,368)	9,391	-	-	(1,400)	(25,377)
Depreciation charge	-	(666)	(880)	(351)	(598)	(2,495)
Closing net book amount as at December 31	$ 3,104	$ 483	$ 100	$ 662	$ 1,998	$ 6,347
December 31, 2023						
Cost	$ 3,104	$ 2,143	$ 6,485	$ 4,113	$ 3,683	$ 19,528
Accumulated depreciation	-	(1,660)	(6,385)	(3,451)	(1,685)	(13,181)
	$ 3,104	$ 483	$ 100	$ 662	$ 1,998	$ 6,347

	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Total
January 1, 2022						
Cost	$ 41,945	$ 38,711	$ 7,225	$ 3,334	$ 2,836	$ 94,051
Accumulated depreciation	-	(28,855)	(4,671)	(3,121)	(520)	(37,167)
	$ 41,945	$ 9,856	$ 2,554	$ 213	$ 2,316	$ 56,884
Year ended December 31, 2022						
Opening net book amount as at January 1	$ 41,945	$ 9,856	$ 2,554	$ 213	$ 2,316	$ 56,884
Additions	-	-	-	964	231	1,195
Depreciation charge	-	(1,576)	(1,341)	(302)	(567)	(3,786)
Closing net book amount as at December 31	$ 41,945	$ 8,280	$ 1,213	$ 875	$ 1,980	$ 54,293
December 31, 2022						
Cost	$ 41,945	$ 38,711	$ 7,225	$ 4,278	$ 3,067	$ 95,226
Accumulated depreciation	-	(30,431)	(6,012)	(3,403)	(1,087)	(40,933)
	$ 41,945	$ 8,280	$ 1,213	$ 875	$ 1,980	$ 54,293

A. The Company obtained building permit for the development project of 'Yisheng zhihui Science and Technology Park-A zone' in 2023, and the property was reclassified at the carrying amount at the time of changes in use. In accordance with IAS 40, starting from the change in the use of property, the entity shall transfer its properties to construction in progress (shown as 'inventories') and transfer its property to investment property-land based on the retained percentage. For the year ended December 31, 2023, the amounts transferred to inventories and investment property were $35,764 and $14,339, respectively.

B. Information about the property that was pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Company leases various assets including buildings and structure and transportation equipment. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise photocopiers. Low-value assets comprise office equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structures	$ 30,983	$ 39,844
Transportation equipment	-	199
	$ 30,983	$ 40,043

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and structures	$ 11,191	$ 10,958
Transportation equipment	199	795
	$ 11,390	$ 11,753

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $2,330 and $33,054, respectively.

E. Informaion on profit or loss in relation to lease contracts is as follows:

	Year ended December 31	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 513	$ 625
Expense on short-term lease contracts	1,123	1,285
Expense on leases of low-value assets	435	215
Gain or loss on lease modification	-	110

F. Forthe years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $13,339 及$13,709, respectively.

(9) Leasing arrangements – lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 2 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sublet, subleased and used as security, whether in whole or in part, by lessees.

B. For the years ended December 31, 2023 and 2022, the Company recognised rent income in the amounts of $4,379 and $5,434, respectively, based on the operating lease agreement.

C. The maturity analysis of the lease payments under the operating leases is as follows：

	December 31, 2023	December 31, 2022
1 st year	$ 3,882	$ 2,614
2 nd year	2,171	1,305
3 rd year	2,171	-
4 th year	2,171	-
5 th year	2,895	-
	$ 13,290	$ 3,919

(10) Investment property

	2023			
	Land	Buildings and structures	Investment property under construction	Total
At January 1				
Cost	$ 83,798	$ 59,584	$ 10,262	$ 153,644
Accumulated depreciation and impairment	-	(39,927)	-	(39,927)
	$ 83,798	$ 19,657	$ 10,262	$ 113,717
Opening net book amount as at January 1	$ 83,798	$ 19,657	$ 10,262	$ 113,717
Additions	12,684	-	-	12,684
Reclassifications	(16,592)	(4,730)	-	(21,322)
Depreciation charge	-	(839)	-	(839)
Closing net book amount as at December 31	$ 79,890	$ 14,088	$ 10,262	$ 104,240
At December 31				
Cost	$ 79,890	$ 34,809	$ 10,262	$ 124,961
Accumulated depreciation and impairment	-	(20,721)	-	(20,721)
	$ 79,890	$ 14,088	$ 10,262	$ 104,240

	2022			
	Land	Buildings and structures	property under construction	Total
At January 1				
Cost	$ 83,798	$ 59,584	$ 10,262	$ 153,644
Accumulated depreciation and impairment	-	(38,558)	-	(38,558)
	$ 83,798	$ 21,026	$ 10,262	$ 115,086
Opening net book amount as at January 1	$ 83,798	$ 21,026	$ 10,262	$ 115,086
Depreciation charge	-	(1,369)	-	(1,369)
Closing net book amount as at December 31	$ 83,798	$ 19,657	$ 10,262	$ 113,717
At December 31				
Cost	$ 83,798	$ 59,584	$ 10,262	$ 153,644
Accumulated depreciation and impairment	-	(39,927)	-	(39,927)
	$ 83,798	$ 19,657	$ 10,262	$ 113,717

A. To active the assets, the Company used its land on No. 239 and 240-1, Zhonggong Sec., Zhongli Dist. and land on No. 241, Zhonggong Sec., Zhongli Dist. held by Youyuanlai Investment Co., Ltd. to jointly build and develop 'Yisheng Zhihui Science and Technology Park' and commissioned the subsidiary, Far Year Construction Co., Ltd., to develop and construct as approved by the Board of Directors on June 15, 2020. The Company has reclassified the properties to investment properties using the carrying amounts at the time of change in use.

B. In the second quarter of 2021, the Company changed its plan regarding the future operating purpose of the 'Yisheng Zhihui Science and Technology Park' development project and decided to commission Haiju Development Co., Ltd. by the subsidiary, Far Year Construction CO., Ltd., to sell the properties of this project. In accordance with IAS 40, the Company shall transfer the assets from investment properties to construction in progress (shown as 'inventories') when there is a change in use of property.

C. The Company applied for a change of land planning to increase building bulk, and the application has been approved by the Ministry of Economic Affairs. According to the restrictions on property rights of increased building bulk under the agreement, 28.62% of area A and 21.29% of area B shall be retained and shall not be transferred to others without the consent of the Ministry of Economic Affairs within 5 years. As of December 31, 2023, the value of the retained property was recorded as investment property – land and investment property-buildings under construction amounting to $32,595 and $10,262, respectively, and the value of the unreserved property was recorded as inventories-construction in progress amounting to $139,084.

D. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2023	2022
Rental income from investment property	$ 4,306	$ 5,325
Direct operating expenses arising from the investment property that generated rental income during the year	$ 3,615	$ 3,420
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ -	$ 1,209

E. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 was $481,603 and $472,666, respectively, which was valued based on quoted prices in the neighboring area by real estate agents and actual price registration information posted in the official search system which is categorised within Level 3 in the fair value hierarchy.

F. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(11) Intangible assets

	2023			
	Kolin trademark	Patents	Software	Total
January 1, 2023				
Cost	$ 289,123	$ 276	$ 2,624	$ 292,023
Accumulated amortisation	(75,756)	(276)	(2,168)	(78,200)
	$ 213,367	$ -	$ 456	$ 213,823
2023				
Opening net book amount as at January 1	$ 213,367	$ -	$ 456	$ 213,823
Additions	62	-	201	263
Reclassifications	-	-	1,400	1,400
Amortisation charge	(5,534)	-	(696)	(6,230)
Closing net book amount as at December 31	$ 207,895	$ -	$ 1,361	$ 209,256
December 31, 2023				
Cost	$ 289,185	$ 276	$ 4,225	$ 293,686
Accumulated amortisation	(81,290)	(276)	(2,864)	(84,430)
	$ 207,895	$ -	$ 1,361	$ 209,256

	2022			
	Kolin trademark	Patents	Software	Total
January 1, 2022				
Cost	$ 289,113	$ 276	$ 2,183	$ 291,572
Accumulated amortisation	(70,621)	(276)	(1,897)	(72,794)
	$ 218,492	$ -	$ 286	$ 218,778
2022				
Opening net book amount as at January 1	$ 218,492	$ -	$ 286	$ 218,778
Additions	492	-	457	949
Amortisation charge	(5,617)	-	(287)	(5,904)
Closing net book amount as at December 31	$ 213,367	$ -	$ 456	$ 213,823
December 31, 2022				
Cost	$ 289,123	$ 276	$ 2,624	$ 292,023
Accumulated amortisation	(75,756)	(276)	(2,168)	(78,200)
	$ 213,367	$ -	$ 456	$ 213,823

Details of amortisation on intangible assets are as follow:

	Year ended December 31	
	2023	2022
General and administrative expenses	$ 6,230	$ 5,904

(12) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 50,000	1.902%	None
Secured borrowings	140,000	1.88%~1.975%	Refer to Note 8
	$ 190,000		

Type of borrowings	December 31, 2022	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 30,000	1.93%	None
Secured borrowings	160,000	1.73%~2.08%	Refer to Note 8
	$ 190,000		

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2021 to June 2024; interest is repayable monthly; principal is repayable at maturity.	2.40%	Refer to Note 8	$ 60,000
Secured borrowings	Borrowing period is from August 2023 to August 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Secured borrowings	Borrowing period is from December 2023 to December 2026; interest is repayable monthly; principal is repayable at maturity.	2.21%	Refer to Note 8	100,000
Less：Long-term borrowings due within one year or one operating cycle				(60,000)
				$ 200,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2021 to June 2024; interest is repayable monthly; principal is repayable at maturity.	2.28%	Refer to Note 8	$ 160,000

(14) Other payables

	December 31, 2023	December 31, 2022
Other payables－related parties	$ 5,087	$ 33,389
Freight payable	9,829	7,887
Employee bonus payable	8,066	11,261
Wages and salaries and bonuses payable	5,503	5,433
Service expenses payable	4,742	3,925
Directors' and supervisors' remuneration payable	3,596	4,018
Marketing fees payable	3,045	952
Environmental recycling fees payable	2,619	2,296
Income tax payable	377	5,229
Others	7,035	6,444
	$ 49,899	$ 80,834

Other payables－related parties are provided in Note 7.

(15) Provisions

	Warranty	
	2023	2022
At January 1	$ 605	$ 176
Additional provisions	2,966	3,324
Used during the year	(2,898)	(2,895)
At December 31	$ 673	$ 605

Analysis of total provisions:

	December 31, 2023	December 31, 2022
Current	$ 504	$ 468
Non-current	$ 169	$ 137

The Company gives warranties on home appliances, LCD players and other applications. Provision for warranty is estimated based on historical warranty data of such products. It is expected that provision for warranty will be used during the next 1 ~ 3 years.

(16) Pension

A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 3% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 6,687)	($ 11,841)
Fair value of plan assets	2,775	8,036
Net defined benefit liability (shown as other non-current liabilities)	($ 3,912)	($ 3,805)

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 11,841)	$ 8,036	($ 3,805)
Current service cost	-	96	96
Interest (expense) income	(142)	-	(142)
	(11,983)	8,132	(3,851)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	91	91
Change in financial assumptions	-	-	-
Experience adjustments	(196)	-	(196)
	(196)	91	(105)
Pension fund contribution	-	44	44
Paid pension	5,492	(5,492)	-
	5,492	(5,448)	44
At December 31	($ 6,687)	$ 2,775	($ 3,912)

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 15,746)	$ 11,344	($ 4,402)
Current service cost	-	68	68
Interest (expense) income	(95)	-	(95)
	(15,841)	11,412	(4,429)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	864	864
Change in financial assumptions	336	-	336
Experience adjustments	(605)	-	(605)
	(269)	864	595
Pension fund contribution	-	29	29
Paid pension	4,269	(4,269)	-
	4,269	(4,240)	29
At December 31	($ 11,841)	$ 8,036	($ 3,805)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.2%	1.2%
Future salary increases	1.5%	1.5%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 101)	$ 104	$ 87	($ 85)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 134)	$ 137	$ 113	($ 111)

The sensitivity analysis above is based on one assumption which changed whike the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $44.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	1,034
1 ~ 2 year(s)		518
2 ~ 5 years		1,223
Over 5 years		3,313
	$	6,088

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $2,912 and $2,753, respectively.

(17) Share capital

As of December 31, 2023, the Company's authorised capital was $4,500,000, and the paid-in capital was $2,771,575, consisting of 277,158 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023		
	Overdue dividends	Changes in ownership interests in subsidiaries	Total
At January 1 (at December 31)	$ 259	$ 1,343	$ 1,602

	2022		
	Overdue dividends	Changes in ownership interests in subsidiaries	Total
At January 1 (at December 31)	$ 259	$ 1,343	$ 1,602

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve in accordance with the laws and requirements by competent authority, the appropriation of the remaining earnings, along with the unappropriated earnings, shall be proposed by the Board of Directors and resolved at the shareholders' meeting as dividends to shareholders.

B. In accordance with the Company's dividend policy in the Articles of Incorporation, dividends are distributed by taking into consideration the Company's operational needs and shareholders' maximum interests, future capital expenditures and capital needs. Cash dividends shall account for at least 30% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriations of 2022 and 2021 earnings as resolved at the shareholders' meetings on June 26, 2023 and June 24, 2022, respectively, are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal surplus	$ 9,459		$ 21,222	
Special reserve	124,478		2,563	
Cash dividends	60,975	0.22	83,147	0.30
	$ 194,912		$ 106,932	

The aforementioned resolutions were in agreement with those resolved by the Board of Directors on March 14, 2023 and March 29, 2022. Information will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The appropriation of 2023 earnings as proposed by the Board of Directors on March 12, 2023 is as follows:

	Year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve appropriated	$ 10,869	
Special reserve appropriated	73,785	
Cash dividends	27,716	0.10
	$ 112,370	

As of March 12, 2024, the aforementioned appropriation of 2023 earnings has not yet been resolved at the shareholders' meeting.

(20) Other equity items

	2023		
	Foreign exchange translation adjustments	Unrealised gains (losses) on valuation	Total
At January 1	($ 481,201)	$ 47,822	($ 433,379)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Revaluation – gross	-	(35,723)	(35,723)
Currency translation differences:			
- Group	(38,174)	-	(38,174)
- Tax on Group	7,634	-	7,634
At December 31	($ 511,741)	$ 12,099	($ 499,642)

	2022		
	Foreign exchange translation adjustments	Unrealised gains (losses) on valuation	Total
At January 1	($ 518,970)	$ 102,223	($ 416,747)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income:			
- Revaluation – gross	-	(54,401)	(54,401)
- Revaluation transferred to retained earnings – gross	-	-	-
Currency translation differences:			
- Group	47,211	-	47,211
- Tax on Group	(9,442)	-	(9,442)
At December 31	($ 481,201)	$ 47,822	($ 433,379)

(21) Operating revenue

1. Disaggregation of revenue from contracts with customers

	Year ended December 31	
	2023	2022
Revenue from contracts with customers		
Sales of goods	$ 548,556	$ 528,958
Rental revenue	1,525	-
Other operating revenue	25,872	27,025
	$ 575,953	$ 555,983

2. Disaggregation of the Company derives revenue from the transfer of goods and services over time and at a point in time :

	Year ended December 31	
	2023	2022
Revenue from contracts with customers		
Recognize revenue at a point in time	$ 572,753	$ 554,318
Recognize revenue from the transfer of goods and services over time	3,200	1,665
	$ 575,953	$ 555,983

Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2023
Contract liabilities:			
Sales of goods	$ 15,458	$ 3,025	$ 3,843

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales of goods	$ 2,771	$ 3,473

(22) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 2,260	$ 1,827
Other interest income	1,655	12
	$ 3,915	$ 1,839

(23) Other income

	Year ended December 31	
	2023	2022
Rental income	$ 2,854	$ 5,434
Dividend income	4,941	6,423
Income from managerial services	5,613	6,312
Other income	8,426	4,168
	$ 21,834	$ 22,337

(24) Other gains and losses

	Year ended December 31	
	2023	2022
Losses on disposals of property, plant and equipment	($ 8,578)	$ -
Gain on Net currency exchange	914	8,512
Losses on change in value of financial assets at fair value through profit or loss	-	(830)
Others	(254)	(773)
	($ 7,918)	$ 7,019

(25) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 9,067	$ 7,076
Interest expense on loans from subsidiaries	882	612
Interest expense on lease liabilities	513	625
	$ 10,462	$ 8,313

(26) Employee benefits, depreciation and amortisation expenses

	Year ended December 31	
	2023	2022
Employee benefit expense		
Wages and salaries	$ 55,303	$ 49,452
Labour and health insurance fees	5,917	5,663
Pension costs	2,958	2,780
Director’s remuneration	4,745	4,688
Other employee benefit expense	2,965	3,686
Subtotal	$ 71,888	$ 66,269
Depreciation charge	$ 14,724	$ 16,908
Amortisation charge	$ 9,345	$ 8,198

For the years ended December 31, 2023 and 2022, the Company had an average of 78 and 79 employees, which included 6 non-employee directors for both years, respectively.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration. Independent directors do not participate in the distribution. If the Company has accumulated deficit, earnings should be retained to cover losses. The employees' compensation will be distributed in the form of shares or cash. The recipients of aforementioned employees' compensation include the employees of the Company's subsidiaries who meet certain specific requirements set by the Board of Directors. The aforementioned distributable profit of the current year is profit of the current year before deducting taxes, employees' compensation and directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $3,295 and $4,648, respectively; while directors' and supervisors' remuneration was accrued at $3,295 and $3,718, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3 % of distributable profit of current year for the year ended December 31, 2023. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $3,295 and $3,295, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2022 amounting to $4,648 and $3,718, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expenses

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year 2023	$ 1,124	$ -
Prior year income tax under estimation	-	1
Tax on undistributed surplus earnings	376	5,392
Deferred tax:		
Origination and reversal of temporary differences	(7,236)	(12,576)
Income tax expenses	($ 5,736)	($ 7,183)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2023	2022
Currency translation differences	($ 7,634)	$ 9,442
Remeasurements of defined benefit obligations	(21)	119
	($ 7,655)	$ 9,561

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 20,638	$ 16,918
Expenses disallowed by tax regulation	1,979	867
Tax exempt income by tax regulation	(13,785)	(29,756)
Temporary differences not recognised as deferred tax assets	289	1,179
Change in assessment of realisation of deferred	(15,233)	(1,784)
Prior year income tax under estimation	-	1
Tax on undistributed surplus earnings	376	5,392
Income tax expenses	($ 5,736)	($ 7,183)

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Remeasurements of defined benefit plans	$ 263	$ -	$ 21	$ 284
Currency translation differences	66,040	-	7,634	73,674
Loss carryforward	14,858	(13,602)	-	1,256
Uurealized after-sales service	27	108	-	135
Subtotal	$ 81,188	($ 13,494)	$ 7,655	$ 75,349
Deferred tax liabilities:				
Unrealized exchange gains	($ 819)	$ 447	$ -	($ 372)
Reserve for land value increment tax	($ 25,517)	$ -	$ -	($ 25,517)
Gain on long-term equity investments	(21,539)	20,283	-	(1,256)
Subtotal	($ 47,875)	$ 20,730	$ -	($ 27,145)
Total	$ 33,313	$ 7,236	$ 7,655	$ 48,204

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Remeasurements of defined benefit plans	$ 382	$ -	($ 119)	$ 263
Currency translation differences	75,482	-	(9,442)	66,040
Loss carryforward	60,516	(45,658)	-	14,858
Uurealized after-sales service	-	27	-	27
Subtotal	$ 136,380	($ 45,631)	($ 9,561)	$ 81,188
Deferred tax liabilities:				
Unrealized exchange gains	($ 181)	($ 638)	$ -	($ 819)
Reserve for land value increment tax	($ 25,517)	$ -	$ -	($ 25,517)
Gain on long-term equity investments	(80,383)	58,844	-	(21,539)
Subtotal	($ 106,081)	$ 58,206	$ -	($ 47,875)
Total	$ 30,299	$ 12,575	($ 9,561)	$ 33,313

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company are as follows:

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry date
2014	$ 464,643	$ 95,630	$ 95,630	2025
2015	14,352	11,952	11,952	2026
2017	121,674	120,090	84,452	2028
2018	41,029	38,029	-	2029
2019	86,343	82,518	82,175	2030
2021	26,175	20,246	20,246	2032
	$ 754,216	$ 368,465	$ 294,455	

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry date
2014	$ 464,643	$ 168,208	$ 168,208	2025
2015	14,352	11,952	11,952	2026
2017	121,674	120,090	84,452	2028
2018	41,029	38,029	-	2029
2019	86,343	82,518	82,175	2030
2021	26,175	20,246	20,246	2032
	$ 754,216	$ 441,043	$ 367,033	

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 49,698	$ 125,861

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 108,993	277,158	$ 0.39
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 108,993	$ 277,158	
Assumed conversion of all dilutive potential ordinary shares			
Employees'compensation	-	237	
Profit attributable to ordinary shareholders of the Company plusassumed conversion of all dilutive potential ordinary shares	$ 108,993	277,395	$ 0.39

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 91,774	277,158	$ 0.33
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 91,774	$ 277,158	
Assumed conversion of all dilutive potential ordinary shares			
Employees'compensation	-	347	
Profit attributable to ordinary shareholders of the Company plusassumed conversion of all dilutive potential ordinary shares	$ 91,774	277,505	$ 0.33

(29) Changes in liabilities from financing activities

	2023				
	Short-term borrowings	Long-term borrowings (including current portior)	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	$ 190,000	$ 160,000	$ 930	$ 40,316	$ 391,246
Changes in cash flow from financing activities	-	100,000	(34)	(11,268)	88,698
Changes in lease liabilities	-	-	-	2,330	2,330
At December 31	$ 190,000	$ 260,000	$ 896	$ 31,378	$ 482,274

	2022				
	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities -gross
At January 1	$ 312,963	$ 160,000	$ 1,225	$ 18,846	$ 493,034
Changes in cash flow from financing activities	(122,963)	-	(295)	(11,584)	(134,842)
Changes in lease liabilities	-	-	-	33,054	33,054
At December 31	$ 190,000	$ 160,000	$ 930	$ 40,316	$ 391,246

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
ALMOND GARDEN CORP.(AGC)	Subsidiaries
REALISE TECH-SERVICE CO., LTD.(RLS)	Subsidiaries
FARYEAR CONSTRUCTION CO., LTD (AFY)	Subsidiaries
ACTION INDUSTRIES(M) SDN. BHD.(AMP)	Subsidiaries
ACTION ASIA (SHENZHEN) CO., LTD. (AAS)	Subsidiaries
YOU YUAN LAI INVESTMENT LTD. (YOU	Other related party
BEST DENKI LTD. (BEST)	Other related party (Note 1)

Note 1 : On December 7, 2017, the Board of Directors of BEST DENKI LTD. passed a dissolution resolution. On December 25, 2017, the shareholders at their extraordinary general meeting approved to set the date of dissolution on December 31, 2017. As of the report date, the liquidation was still in progress.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Subsidiaries	$ 46,983	$ 16,805

There is no material difference between the transaction price and payment terms for the sale of goods and those of non-related parties.

B. Purchases

	Year ended December 31	
	2023	2022
Subsidiaries	$ 6,730	$ 14,136

Goods are purchased from affiliates under normal commercial terms and conditions.

C. Income from managerial services (shown as other income)

	Year ended December 31	
	2023	2022
Subsidiaries		
-AFY	$ 4,302	$ 4,482
-Others	1,311	1,830
	$ 5,613	$ 6,312

The main department provides administrative resources and management services for related parties. The transaction price and payment conditions are negotiated by both parties.

D. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Subsidiaries	$ 19,842	$ 362
Other related parties	4,691	4,691
	24,533	5,053
Less: Loss allowance	(4,691)	(4,691)
	$ 19,842	$ 362
Other receivables:		
Other related parties		
-BEST	$ 93,325	$ 93,325
Subsidiaries		
-AFY	1,678	1,448
-Others	686	11
	95,689	94,784
Less: Loss allowance	(79,369)	(74,469)
	$ 16,320	$ 20,315

The above-mentioned receivables from related parties on December 31, 2023and 2022 are mainly due to capital reduction, advances and management service income of subsidiaries.

E. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Subsidiaries	$ -	$ 1,448
Other payables:		
Subsidiaries	$ 4,092	$ 2,607

The above-mentioned amounts due to related parties on December 31, 2023 and 2022 are mainly due to after-sales service fees and advances.

F. Lease transactions－lessee

(a) The Company leases buildings from the Company's related parties. The lease term was 2~5 years, and rent was paid monthly. For the years ended December 31, 2023 and 2022, the Company recognised right-of-use asset with related parties in the amounts of $777 and $0, respectively.

(b) Rental expenses

	Year ended December 31	
	2023	2022
Subsidiaries	$ 314	$ 314

(c) Lease liabilities

i. Ending balance：

	Year ended December 31	
	2023	2022
Subsidiaries	$ 906	$ 424

ii. Interest expense：

	Year ended December 31	
	2023	2022
Subsidiaries	$ 19	$ 9

G. Loans to /from related parties:

(a)Loans to related parties:

i. Ending Balance (shown as other receivables-related parties)：

	Year ended December 31	
	2023	2022
Subsidiaries		
-AFY	$ 100,178	$ -

ii.Interest revenue

	Year ended December 31	
	2023	2022
Subsidiaries		
-AFY	$ 1,651	$ -

Borrowings to subsidiaries are subject to repayment upon maturity, and interest in 2023 will be charged at an annual interest rate of 2.1%.

(a)Loans from related parties:

i. Ending Balance (shown as other payables-related parties)：

	Year ended December 31	
	2023	2022
Subsidiaries		
-AMP	$ 995	$ 30,782

ii. Interest expense

	Year ended December 31	
	2023	2022
Subsidiaries		
-AMP	$ 882	$ 612

Borrowings from subsidiaries are subject to repayment upon maturity, and interest in 2023 and 2022 will be charged at an annual interest rate of 2.5%~4.0%, 1.7%~2.5%.

H. Endorsements and guarantees provided to related parties:

i. Ending Balance：

	December 31, 2023	December 31, 2022
Subsidiaries		
-AFY	$ 2,200,000	$ 2,200,000

ii. Endorse and guarantees revenue(shown as other income)：

	December 31, 2023	December 31, 2022
Subsidiaries		
-AFY	$ 6,053	$ 1,926
-AAS	-	100
	$ 6,053	$ 2,026

The Company who was the guarantor for subsidiaries provides endorsement.

I. Other:

	December 31, 2023	December 31, 2022
Subsidiaries		
-YOU YUAN LAI	$ 50,000	$ 50,000

The Company issued guarantee notes of $50,000 thousand to YOU YUAN LAI as the performance guarantee for a development project of 'Yisheng Zhihui Science and Technology Park'. Refer to Note 6(10) for details.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 16,315	$ 22,467

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged assets	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment - land and buildings	-	44,091	Bank borrowings
Investment property - land and buildings	87,476	89,091	Bank borrowings
Inventories - construction in progress	101,145	55,847	Bank borrowings
	$ 188,621	$ 189,029	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) As of December 31, 2023 and 2022, the guarantee notes issued by the Company for unsecured loan facilities amounted to $1,642,300 and $1,642,300, respectively.

(2) As of December 31, 2023 and 2022, the outstanding usance letters of credit issued by the Company for purchasing goods and raw materials amounted to $35,087 and $26,301, respectively.

(3) The Company used its land on No. 239 and 240-1, Zhonggong Sec., Zhongli Dist. and land on No. 241, Zhonggong Sec., Zhongli Dist. held by Youyuanlai Investment Co., Ltd. to jointly build and develop 'Yisheng Zhihui Science and Technology Park' and commissioned the subsidiary, Far Year Construction Co., Ltd., then distribute with negotiation when finished.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Details of the appropriation of 2024 earnings as proposed by the Board of Directors on March 12, 2023 are provided in Note 6(19).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 76,042	$ 111,765
Financial assets at amortised cost	$ 340,571	$ 259,531
Financial liabilities		
Financial liabilities at amortised cost	$ 566,372	$ 474,225
Lease liability (Including current and non-current)	$ 31,378	$ 40,316

Note: Financial assets at amortised cost include cash and cash equivalents, notes receivable, accounts receivable, financial assets at amortised cost - current, other receivables and guarantee deposits paid; financial liabilities at amortised cost include short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits received.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's financial policy tends toward conservatism principle, therefore the Company does not operate the high-risk and complex derivative financial instruments.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: MYR and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign Currency Amount (In thousands)	Exchange Rate	Book value (NTD)
currency)			
Financial assets			
Monetary items			
USD:NTD	$ 773	30.71	$ 23,735
Financial liabilities			
Monetary items			
USD:NTD	$ 899	30.71	$ 27,604

	December 31, 2022		
	Foreign Currency Amount (In thousands)	Exchange Rate	Book value (NTD)
currency)			
Financial assets			
Monetary items			
USD:NTD	$ 4,361	30.71	$ 133,926
EUR:NTD	37	32.72	1,211
Financial liabilities			
Monetary items			
USD:NTD	$ 1,756	30.71	$ 53,927

iv. Total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022 amounted to a profit of $914 and $8,512, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 237	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 276	$ -

	December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,339	$ -
EUR:NTD	1%	12	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 539	$ -

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% or liquidity discount rate had changes by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $760 and $1,118, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

i. The Comapny's borrowings are fixed-rate debts. The changes in market interest rates do not affect future cash flows, and thus the Company is not exposed to cash flow risk arising from interest rate changes.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $3,600 and $2,800, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

v. The Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company used the forecastability of data obtained from the Business Indicators Data Base of the National Development Council and the Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the loss rate is as follows:

	Not past due	Up to 30 days past due	31-90 days past due	91-180 days past due	Over 180 days past due	Total
December 31, 2023						
Rate of expected credit loss	100.00%	0.03%	0.03%	0.03%	0.03%	
Carrying amounts	$ 4,691	$ 96,579	$ 26	$ -	$ -	$ 101,296
Loss allowance	$ 4,691	$ -	$ -	$ -	$ -	$ 4,691
December 31, 2022						
Rate of expected credit loss	100.00%	0.06%	0.07%	0.08%	0.08%	
Carrying amounts	$ 4,691	$ 54,292	$ -	$ -	$ -	$ 58,983
Loss allowance	$ 4,691	$ 12	$ -	$ -	$ -	$ 4,703

vi. Movements in relation to the Company applying the modified approach to provide loss allowance for receivables are as follows:

	2023	
	Receivables	Other receivables from related parties
At January 1	$ 4,703	$ 74,469
Gains on reversal of credit impairment	(12)	4,900
At December 31	$ 4,691	$ 79,369

	2022	
	Receivables	Other receivables from related parties
At January 1	$ 4,784	$ 74,469
Gains on reversal of credit impairment	(81)	-
At December 31	$ 4,703	$ 74,469

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Over 1 year
Long-term borrowings	65,114	208,041
Lease liabilities	11,609	20,448

Non-derivative financial liabilities:

December 31, 2022	Within 1 year	Over 1 year
Long-term borrowings	-	163,648
Lease liabilities	11,680	29,751

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, notes payable, accounts payable and other payables (including related parties) are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The company is classified based on the nature, characteristics and risks of the assets and the basic level of fair value. The relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income	$ 76,042	$ -	$ -	$ 76,042

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income	$ 111,765	$ -	$ -	$ 111,765

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Emerging stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. The Company takes into account adjustments for credit risks to measur e the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

Information on significant transactions as of and for the year ended December 31, 2023 in conformity with the Rules Governing the Preparation of Financial Statements by Securities Issuers is as follows. In addition, inter-company transactions between companies were eliminated. The following disclosures are for reference only:

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

Not applicable.

Action Electronics Co., Ltd.

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended 31-Dec-23	Balance at 31-Dec-23	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
0	ACTION ELECTRONICS CO., LTD.	FARYEAR CONSTRUCTION CO. LTD	Other receivables - related parties	Yes	$ 200,000	$ 200,000	$ 100,000	2.1%	2	$ -	Working capital	$ -	-	-	$ 1,124,678	$ 1,124,678	
1	ACTION INDUSTRIES (M) SDN. BHD.	ACTION ELECTRONICS CO., LTD.	Other receivables - related parties	Yes	32,425	-	-	4%	2	-	Working capital	-	-	-	391,746	391,746	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The numbers filled in for the nature of loan are as follows:
(1) Business transaction is '1'.
(2) Short-term financing is '2'.

Note 3: In accordance with the regulations governing loans to others, ceiling on total loans granted is 40% of the net asset value of the creditor in the most recent financial statements; limit on loans granted to a single party is 40% of the net asset value of the creditor in the most recent financial statements. However, loans granted to foreign companies whose voting rights are 100% directly or indirectly owned by the Company are not subject to the aforementioned restrictions, but ceiling on total loans granted and limit on loans granted to a single party is no higher than 200% of the net asset value of the creditor.

Action Electronics Co., Ltd.

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Notes 3 and 8)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Notes 3 and 8)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	2	$ 2,811,696	$ 2,200,000	$ 2,200,000	$ 771,950	$ 2,200,000	78.24	$ 4,217,544	Y	N	N	
1	ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	2	2,047,107	85,269	81,479	-	-	2.90	3,070,661	Y	N	N	
2	ACTION ASIA (SHENZHEN) CO., LTD.	DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	6	824,861	320,040	311,544	311,544	311,544	11.08	1,237,292	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary

(3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company as required under the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities, and all other events involving endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", ceiling on total amount of endorsements/guarantees provided by the Company and limit on endoresements/guarantees provided to a single party, as well as limit on endorsements/guarantees granted by the Company and its subsidiaries as a whole are as follows:

(1) Ceiling on the accumulated total endoresements/guarantees granted is 1.5 times of the net asset value in latest audited or reviewed financial statements.

(2) Limit on endorsements/guarantees granted by the Company and its subsidiaries to a single party is the net asset value in latest audited or reviewed financial statements of the Company or its subsidiaries.

(3) Limit on total endorsements/guarantees granted by the Company and subsidiaries as a whole is 1.5 times of the net asset value in latest audited or reviewed financial statements of the Company and its subsidiaries.

Action Electronics Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
				Number of shares (in thousands)	Book value (Note 3)	Ownership (%)	Fair value	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of Clientron Corp.	-	Financial assets at fair value through other comprehensive income - current	4,941	$ 76,042	0.08	$ 76,042	
ACTION ELECTRONICS CO., LTD.	Ordinary stocks of TOA Optronics Corporation.	-	Financial assets at fair value through profit or loss - non-current	1,283	-	0.07	-	
ALMOND GARDEN CORP.	Ordinary stocks of BLOOMING ENTERPRISE CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	455	-	0.15	-	
REALISE TECH-SERVICE CO., LTD.	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	284	2,673	-	2,673	
ACTION ASIA (SHENZHEN) CO., LTD.	PineBridge ESG Quantitative Global Equity Fund	-	Financial assets at fair value through profit or loss - current	NOTE5	44,904	-	44,904	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: As of December 31, 2023, the Company held 9,746,161.2307 thousand shares.

Action Electronics Co., Ltd.

Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Different situations and reasons of Trading Conditions and General Trading（Note 1）		General ledger account		
Company name	Counterparty	Relationship	Purchase or sale	Amount	Percentage of total purchase or total	Credit period	Price	Credit period	Balance	Percentage of total notes	Footnote
ACTION ASIA (SHENZHEN) CO., LTD.	ACTION INDUSTRIES(M) SDN.BHD.	Subsidiary to subsidiary	Sold	$ 297,239	12%	T/T 60 days after receipt of goods	Sales price was negotiated by each other	T/T 60 days after receipt of goods	$ 25,621	9%	

Note 1: Transactions with related parties were disclosed with asset and revenue;therefore, relative transactions are not disclosed in the table.

Action Electronics Co., Ltd.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 5)			operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	ACTION ELECTRONICS CO., LTD.	REALISE TECH-SERVICE CO., LTD.	1	Sales revenue	$ 16,430	T/T 60 days after receipt of goods	1%
0	ACTION ELECTRONICS CO., LTD.	FARYEAR CONSTRUCTION CO. LTD	1	Sales revenue	29,410	T/T 60 days after receipt of goods	2%
0	ACTION ELECTRONICS CO., LTD.	FARYEAR CONSTRUCTION CO. LTD	1	Other receivables - related parties	100,000	2.10%	2%
1	REALISE TECH-SERVICE CO., LTD.	ACTION ELECTRONICS CO., LTD.	2	Sales revenue	21,489	T/T 60 days after receipt of goods	1%
2	ACTION ASIA (SHENZHEN) CO., LTD.	ACTION INDUSTRIES(M) SDN. BHD.	3	Sales revenue	297,239	T/T 60 days after receipt of goods	19%
3	ASD ELECTRONICS LIMITED	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Sales revenue	13,216	T/T 90 days after receipt of goods	1%
4	ACTION INTELLIGENT (SHENZHEN) CO., LTD.	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Technical service revenue	20,458	T/T 60 days after receipt of goods	1%
5	ACTION INDUSTRIES(M) SDN. BHD.	ACTION ASIA (SHENZHEN) CO., LTD. and its subsidiaries	3	Sales revenue	14,828	T/T 60 days after receipt of goods	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Individual transaction amounts less than 1% of consolidated total operating revenue or consolidated total assets are not disclosed. Transactions from asset and revenue sides are disclosed, an the opposite sides are not disclosed.

Action Electronics Co., Ltd.

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
ACTION ELECTRONICS CO., LTD.	ACTION ASIA LTD.	Singapore	A holding and investment company	$ 241,231	$ 241,231	149,511,976	61.54%	$ 1,259,720	$ 201,704	$ 124,122	
ACTION ELECTRONICS CO., LTD.	ALMOND GARDEN CORP.	British Virgin Islands	A holding and investment company	-	-	14,500,000	100.00%	841,258	75,259	75,259	
ACTION ELECTRONICS CO., LTD.	BEST DENKI LTD.	Taiwan	Sale and maintenance of various electronic appliances and home appliances	109,696	109,696	10,970,926	99.74%	-	-	-	In liquidation
ACTION ELECTRONICS CO., LTD.	REALISE TECH-SERVICE CO., LTD.	Taiwan	Repair services of electronic information products	60,000	60,000	6,000,000	100.00%	40,571	3,983	3,828	
ACTION ELECTRONICS CO., LTD.	FAR YEAR CONSTRUCTION CO., LTD.	Taiwan	Housing, building and industrial factory development and rental and real estate leasing and trading	200,000	200,000	20,000,000	100.00%	157,491	(5,790)	(18,023)	
ALMOND GARDEN CORP.	ASD ELECTRONICS LIMITED	Hong Kong	Research and development and sale	46,200	46,200	4,175,000	100.00%	11,158	(1,121)	(644)	
ALMOND GARDEN CORP.	ACTION ASIA LTD.	Singapore	A holding and investment company	482,845	482,845	93,452,231	38.46%	787,383	201,704	77,582	
ACTION ASIA LTD.	ACTION INDUSTRIES (M) SDN. BHD.	Malaysia	Manufacture and sale of car LCD TVs	54,911	54,911	13,200,000	100.00%	180,661	57,841	57,841	
ACTION ASIA LTD.	ACTION ASIA INVESTMENT PTE.LTD.	Singapore	A holding and investment company	-	-	1	100.00%	-	-	-	
ACTION INDUSTRIES(M) SDN. BHD.	ACTION-TEK SDN. BHD.	Malaysia	Research and development of consumer electronic products	-	-	2	100.00%	-	821	821	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at December 31, 2021' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..

(2)The 'Net profit (loss) of the investee for the year ended December 31, 2021' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Action Electronics Co., Ltd.

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to China	Remitted back to Taiwan							
ACTION COMMERCIAL AND TRADING (SHANGHAI) CO., LTD.	LCD TV products	$ 529,218	Invested in Mainland China through a wholly-owned Almond Garden Corp.	$ 529,218	$ -	$ -	$ 529,218	($ 56)	100.00	($ 56)	$ 31,727	$ -	Note 1(2) B.
DONGGUAN JINGWAN PHOTOELECTRICITY CO., LTD.	Manufacture and sale of electronic products and its accessories	100,377	Reinvested in Mainland China through a 14.55%-owned BLOMMING ENTERPRISE CO., LTD of a wholly-owned ALMOND GARDEN CORP.	24,375	-	-	24,375	-	14.55	-	-	-	Note 1(2) B.
SHANGHAI ACTION TECHNOLOGY CO., LTD.	Research and development, manufacture and sale of electronic products and accessories and warehousing services	594,004	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	339,960	-	-	339,960	73,216	100.00	73,216	954,776	131,918	Note 1(2) B.
ACTION ASIA (SHENZHEN) CO., LTD.	Research and development, manufacture and sale of electronic products and accessories	112,750	Invested in Mainland China through a wholly-owned ACTION ASIA LTD.	-	-	-	-	90,361	100.00	83,545	817,623	103,717	Note 1(2) B.
DEDE TECHNOLO GY (SHENZHEN) CO., LTD.	Plant leasing services	512,344	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. of a wholly-owned ACTION ASIA LTD.	-	-	-	-	9,296	40.00	(8,104)	570,345	-	Note 1(2) B.
ACTION INTELLIGENT (SHENZHEN) CO., LTD.	Research and development and sale of AI electronic products	4,681	Reinvested in Mainland China through a wholly-owned ACTION ASIA (SHENZHEN) CO., LTD. held of a wholly-owned ACTION ASIA LTD.	-	-	-	-	312	100.00	312	1,786	-	Note 1(2) B.

Action Electronics Co., Ltd.

Information on investments in Mainland China

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ACTION ELECTRONICS CO., LTD.	$ 1,659,363	$ 1,925,361	NOTE3

Note 1: The blank of the net investment income or losses:

(1) It should be note if it is under preparation and have no investment income or losses

(2) Basis of recognize the net investment income or losses of category each case belongs to:

A.Have audited or reviewed financial statements of the Company by the international accounting association that cooperate with Republic of China (Taiwan) Certified Public Accountant.

B.Have audited or reviewed financial statements of the Company by the CPA who audited or reviewed financial statements of the parent company.

C.Others

Note 2: The numbers in this table are expressed in New Taiwan dollars. Income statement accounts denominated in foreign currencies are translated into New Taiwan dollars at the weighted average exchange rates and balance sheet accounts at spot exchange rates prevailing at the balance sheet date.

Note 3: The Company obtained the approval of operational headquarters issued by the Industrial Development Bureau, MOEA, which effective as of April 15, 2024.

Note 4: The equity of Huayi Technology (Shenzhen) Co., Ltd. has been transferred in 2017, and the accumulated amount of investment from Taiwan was NTD 670,087 thousand.

Note 5: The equity of ACTION TECHNOLOGY (JIAN) CO., LTD. has been transferred in 2021, and the accumulated amount of investment from Taiwan was NTD 356,915 thousand. The repatriated investment shares amounted to NTD 261,192,000 (USD 8,800,000).

Action Electronics Co., Ltd.

Major shareholders information

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of shares held (in thousands)	Ownership (%)
PENG CHUIN-PING	20,683	7.46%
TA PO INVESTMENT LTD.	15,500	5.59%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the"Market Observation Post System".

ACTION ELECTRONICS CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description			Exchange Rate	Amount
Cash on hand and revolving funds					
- NTD					$ 210
					210
Checking accounts and Demand deposits					
- NTD					$ 101,135
	- Foreign currency deposits	- USD	757,641	30.71	23,263
		- EUR	103	33.98	3
					124,401
					$ 124,611

ACTION ELECTRONICS CO., LTD.

STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Name of Financial	Description	Shares in thousands	Face value	Total amount	Interest Rate	Cost	Accumulated impairment	Fair value		Note
								Unit price	Total amount	
Ordinary stocks of Clientron		4,941	$ 10	$ 49,410	Not applicable	$ 63,942	None	$ 15.39	$ 76,042	-

ACTION ELECTRONICS CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Client Name	Description	Amount	Note
Note and accounts receivable			
Client A		$ 29,726	
Client B		7,952	
Others		39,085	None of the balances of each remaining item is greater than 5% of this account
		76,763	
Allowance for losses		-	
		$ 76,763	
Accounts receivable-subsidiaries			
FAR YEAR CONSTRUCTION CO. LTD.		$ 18,528	
Others		6,005	None of the balances of each remaining item is greater than 5% of this account
		24,533	
Allowance for losses		(4,691)	
		$ 19,842	

ACTION ELECTRONICS CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Item	Amount		Note
	Cost	Net Realizable Value	
Merchandise	$ 152,705	$ 146,768	Measured at net realizable
Inventory in transit	25,458	25,458	Measured at net realizable
Construction in progress	139,084	139,084	Note
	317,247	$ 311,310	
Less：Allowance for valuation loss	(5,937)		
	$ 311,310		

Note: Due to the industry characteristics of construction companies, since it is not easy to determine the market price of the construction in progress, the net realisable value listed in the table is not lower than the cost.

ACTION ELECTRONICS CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Name	Beginning Balance		Investment income (loss)	differences on translation of foreign financial statements	Decrease		Other (Note 2)	Ending Balance		
	Shares	Amount			Shares	Amount (Note 1)		Shares	Percentage of Ownership	Amount
ACTION ASIA LTD.(AAL)	149,511,976	$1,216,412	$124,122	($ 23,190)	-	($ 57,624)	$ -	149,511,976	61.50%	$1,259,720
ALMOND GARDEN CORP.(AGC)	14,500,000	817,073	75,259	(14,984)	-	(36,090)	-	14,500,000	100%	841,258
FAR YEAR CONSTRUCTION CO., LTD. (formerly 'ACTION ASIA DEVELOPMENT IND CO., LTD.')	20,000,000	175,514	(18,023)	-	-	-	-	20,000,000	100%	157,491
REALISE TECHSERVICE CO., LTD.	6,000,000	36,959	3,828	-	-	-	(216)	6,000,000	100%	40,571
		$2,245,958	$185,186	($ 38,174)		($ 93,714)	($ 216)			$2,299,040

Note 1: Decrease for the year pertains to the receipt of cash dividends.
Note 2: Others pertain to remeasurements of defined benefit plans of the subsidiaries accounted for using the equity method.

ACTION ELECTRONICS CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings	Chang Hwa Commercial Bank, Ltd.	$ 50,000	2023/12/29~2024/3/28	1.902%	$ 50,000	None	-
Secured borrowings	First Commercial Bank	80,000	2023/11/10~2024/2/9	1.975%	100,000	Yes	Refer to Note 8
Secured borrowings	Hua Nan Bank	60,000	2023/10/19~2024/4/19	1.880%	60,000	Yes	Refer to Note 8
		$ 190,000					

ACTION ELECTRONICS CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
First Commercial Bank	Medium and long-term borrowings	$ 60,000	2021/06/24~2024/06/24	2.40%	Collateral	Refer to Note 8
Chang Hwa Commercial Bank, Ltd.	Medium and long-term borrowings	100,000	2023/08/29~2026/08/29	2.21%	Collateral	Refer to Note 8
Chang Hwa Commercial Bank, Ltd.	Medium and long-term borrowings	100,000	2023/12/21~2026/12/21	2.21%	Collateral	Refer to Note 8
Minus:	Long-Term Borrowings with the due date in one year	(60,000)				
		$ 200,000				

ACTION ELECTRONICS CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Volume	Amount	Note
Air conditioner	26,205 units	$ 306,810	
Washing Machine and dryer	18,063 units	116,949	
Television	12,235 units	97,126	
Freezer and refrigerator	7,865 units	73,482	
Small appliances	13,087 units	16,038	
Kitchen appliances	10,816 units	11,630	
Others		1,287	
		623,322	
Less: Sales returns		(9,123)	
Less: Sales discounts and allowances		(65,643)	
		(74,766)	
Net operating revenue		548,556	
Other operating revenue		27,397	
		$ 575,953	

ACTION ELECTRONICS CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Amount
Beginning raw materials	$ -
Add: Raw materials purchased	1,950
Less: Ending raw materials	-
Cost of raw material sold	1,950
Beginning merchandise	184,092
Add: Net purchase for the year	441,179
Less: Ending merchandise	(178,163)
Transferred to expenses	(13,626)
Others	20
Cost of merchandise sales	433,502
Beginning finished goods	4
Less: Ending finished goods	-
Cost of goods sold from manufacturing	4
Cost of goods sold	435,456
Loss on inventory valuation	1,309
Other operating costs	39,148
	$ 475,913

ACTION ELECTRONICS CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item	Description	Amount	Note
Wages and salaries		$ 25,540	
Advertisement		24,807	
Freight		18,881	
Rent expense		11,049	
Service expenses		8,287	
Depreciation		6,216	
Other expenses		17,445	None of the balances of each remaining item is greater than 5% of this account balance
		$ 112,225	

ACTION ELECTRONICS CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Item	Description	Amount	Note
Wages and salaries		$ 34,508	
Service expenses		10,271	
Amortization expenses		7,594	
Depreciation expenses		4,881	
Other expenses		14,971	None of the balances of each remaining item is greater than 5% of this account balance
		$ 72,225	

ACTION ELECTRONICS CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Function / Nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ -	$ 55,303	$ 55,303	$ -	$ 49,452	$ 49,452
Labour and health insurance fees	-	5,917	5,917	-	5,663	5,663
Pension costs	-	2,958	2,958	-	2,780	2,780
Directors' remuneration	-	4,745	4,745	-	4,688	4,688
Other personnel expenses	-	2,965	2,965	3	3,683	3,686
Depreciation Expense	3,626	11,098	14,724	1,344	15,564	16,908
Amortisation Expense	-	9,345	9,345	-	8,198	8,198

Note:

1. As at December 31, 2023 and 2022, the Company had 78 and 79 employees,including 5 and non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：
   (1) Average employee benefit expense in current year 920 (in dollars).
   Average employee benefit expense in previous year 844 (in dollars).
   (2) Average employees salaries in current year 758 (in dollars).
   Average employees salaries in previous year 677 (in dollars).
   (3) Adjustments of average employees salaries 12%.

ACTION ELECTRONICS CO., LTD.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

(4) The Company's compensation policies:

A. Directors: The remuneration of the directors of the company is handled in accordance with rules and regulations of the company, to authorize the board of directors to determine salary and remunerations according to their degree of participation and value of contribution in the operation of the company, based upon the domestic and overseas industry standards.

B. Managers: The amount of remuneration awarded to the managers of the company is reviewed by the remuneration committee and submitted to the board of directors for resolution based on their positions, contributions, and company operating performance for the year.

C. Staff: The company's employee salary and remuneration policy is to provide employees with average salary and benefits. Based on the company's operating performanceand each employee's position, contribution, and performance to determine the year-end bonus and related remuneration, the amount and distribution method are recommended by the remuneration committee and approved by to the board of directors.