



**MITAC HOLDINGS CORP.**

**2023** Annual Report

Taiwan Stock Exchange Market Observation Post System:

<https://mops.twse.com.tw>

Printed date: March 30, 2024

[www.mitac.com](http://www.mitac.com)

**I. Names, position, contact number and email address of the spokesman and deputy spokesman**

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Deputy Spokesman: Huang, Hsiu-Ling / Vice President of Finance Center

Tel: +886-3-328-9000 E-mail: stock@mic.com.tw

**II. Addresses and telephone numbers for HQ, branch offices and factories**

**1. MiTAC Holdings Corporation**

No. 202, Wenhua 2nd Road, Guishan District, Taoyuan City 33383, Taiwan, R.O.C.

Tel: +886-3-328-9000

**2. Branch: N/A**

**3. Factory: N/A**

**4. Primary subsidiaries**

**(1) MiTAC International Corp.**

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Linkou Branch Office: No. 200, Wenhua 2nd Road, Guishan District, Taoyuan City 33383, Taiwan, R.O.C.

Tel: 886-3- 396-2888

**(2) MiTAC Computing Technology Corporation**

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**IV. Name of CPA, accountant firm, address, website and telephone of CPA responsible for the latest annual financial statement**

CPA: Liu, Chien-Yu , Li, Tien-Yi

Name of CPA firm: Pricewaterhouse Coopers

Address: 27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist. Taipei City, Taiwan, R.O.C.

Website: www.pwc.tw Tel: 886-2-2729-6666

**V. Foreign securities listing: N/A**

**VI. Company website: www.mitac.com**

**The original of this annual report is written in Chinese language. If there is any discrepancy between the Chinese version and this English translation, the Chinese version shall prevail.**

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# One. Letter to Shareholders

Dear Shareholders,

The year 2023 was the year of generative AI. Relevant data and estimates show that we are in the midst of an AI revolutionary wave which will flourish for the next decade. However, despite the uncertainty of geopolitical development, inflation and interest rate decisions leading the economy towards a soft landing, the pace of growth remains slow and affects the corporate revenue outlook. China, the world's second-largest economy, is recovering and facing challenges and uncertainties. Reflecting on 2023 was a year of opportunities with the application of new technologies and the reorganization of the global supply chain, MiTAC Holdings Corp.'s subsidiary commences carrying out Intel DSG (Data Solutions Group) business starting July 2023, continues to manufacture, sell, and support products with the same level of performance, reliability to regional and worldwide customers and create new growth model.

In the face of economic changes caused by the world situation, MiTAC Holdings Corp.'s enthusiasm, innovation, execution and professionalism, corporate resilience, and employees drew on others' successful experiences and insisted on on-time delivery to achieve its growth target. The following shows the Operation Performance of 2023 and Prospects of 2024:

## The Operating Performance for 2023

In 2023, MiTAC Holdings Corp. generated consolidated revenues totaling NT\$35.536 billion and net income of NT\$1.784 billion attributable to the parent company, which resulted in after-tax earnings per share of NT\$1.48.

## Honors and Innovations

1. The corporate governance results indicated ranked 6%-20% among all listed companies and was selected as one of the "TWSE CG 100 Index."
2. MiTAC Digital Technology Corp's Enhanced Fleet Management Solution - MioEYE K series + VisionMax won the 32<sup>nd</sup> Taiwan Excellence Award.
3. MiTAC Digital Technology Corp's Separated Type Motorcycle Dashcam - Mio MiVue M820WD series won the 32<sup>nd</sup> Taiwan Excellence Award.
4. MiTAC Digital Technology Corp's 4TG LTE Connected Dashcam - Mio MiSentry 12T series / MiSentry A60 series / MioNEXT App won the 32<sup>nd</sup> Taiwan Excellence Award.
5. MiTAC Digital Technology Corp.'s e-mirror type rearview mirror dashcam – Mio MiVue R850 Series has been recognized in the User Interface (UI) category of the 2023 iF DESIGN AWARD.
6. MiTAC International Corp. and MiTAC Computing Technology Corp. participated in the "Promotion Plan for Electronic Information Smart Manufacturing and Service Robot Applications" and utilized CFX-IPC-2591 and HERMES to build a demonstration production line suitable for future high-end smart manufacturing (AI and big data) needs.
7. MiTAC Holdings Corp. has been honored as an outstanding enterprise in the "Proactive Evaluation of Occupational Health and Safety Indicators in Corporate Sustainability Reports" for the year 2023.
8. MiTAC Holdings Corp. won the silver medal in Electronic Information Products Manufacturing Category of the Sustainability Report Award in 2023.
9. MiTAC Holdings Corp. was selected by the Taoyuan City Government as the Taoyuan City Government Maternal Health Protection Alliance Model Business Unit.

## **R&D Results**

1. MiTAC Computing Technology Corp. released new generation of Open RAN DU/CU Server.
2. TYAN®, a subsidiary of MiTAC Computing Technology Corp., launched the 5<sup>th</sup> Gen of Intel Xeon scalable processor platforms.
3. TYAN®, a subsidiary of MiTAC Computing Technology Corp., launched the HPC, cloud, and storage server platform, supporting the 4<sup>th</sup> Gen AMD EPYC™ 9004 processors.
4. MiTAC Computing Technology Corporation's OCP server CP2S11 as an OCP Inspired™ product.
5. MiTAC Computing Technology Corp. showcased TYAN®'s AI/HPC, Intel® based boards and immersion cooling solution at the Super Computing 2023 (SC's23)
6. MiTAC Digital Technology Corp., launched connected dashcam MiSentry 12T, paired with its own APP to monitor your car in real time.
7. MiTAC Digital Technology Corp./Mio launched the electronic rearview mirror-type dual lens dashcam MiVue 955WD with a 4K front-facing camera and a 2K rear-facing dashcam with GPS and Wifi part of 6 in 1 Smart Alert function.
8. MiTAC Digital Technology Corp./Mio held a product launch event for MiVue™ M820WD a motorcycle dashcam in Japan to cultivate and explore new opportunities.
9. MiTAC Digital Technology Corp. presents the most comprehensive 360-degree AI video management solution (VisionMax) with support for up to seven cameras. This solution not only records and detects blind spots or rear views of large vehicles in real-time but also issues warnings to drivers through the MioEYE K Series cameras in anticipation of potential accidents.
10. MiTAC Digital Technology Corp. showcased a series of automotive electronics products including Smart Mobility / Smart Telematics and Smart Industries products at the 2023 Autotronics Taipei.

## **The Operating Prospects for 2024**

The industry will face many challenges in 2024; generative AI, connected cars, and edge computing will still be part of the industrial trend driven by geopolitics and net zero carbon reduction. Considering geopolitical uncertainty, Russia's invasion of Ukraine continues and the raise of Israeli–Palestinian conflict, with the impact inflation and high interest rate decrease, steady global growth is expected. Asia foresees the largest growth in 2024, China's recent economic measures stimulate growth for 2024.

The Group has two primary businesses: MiTAC Computing Technology Corp.'s cloud and edge computing and the 5G ORAN and AI business. With the ODM and TYAN brand DSG (Data Solutions Group) and datacenter verification capacities, we achieve our growth target through strategic alliance, close regional cooperation, higher customer satisfaction, and the development and certification of new products. As the global automotive market is recovering stably, with its automotive electronics, telematics services, and AIoT hardware/software integration services, MiTAC Digital Technology Corp. has worked with partners to gain a foothold in the connected car field, extending towards Edge AI with infinite possibilities. We provide products and services from hardware/software service transformation to Mobility as a Service (MaaS) to establish a solid foundation for sustainable growth.

MiTAC Holdings Corp. continues to set its short-, mid-, and long-term emission reduction goals, implementing photovoltaic panels in its factories to generate energy, increase investment in green finance and industry. Part of the tree planting plan, MiTAC Holdings Corp. worked with a

professional tree protection team to plant 6,250 trees in high mountains (2,500 trees more than the planned 3,750) to mitigate global warming, preserve water resources, and maintain biodiversity. As the era of AI has begun, we held a series of information security activities and exercises, risk control exercises and enhance employee care to establish an ESG sustainable management culture in the daily routines of the company. MiTAC Holdings Corporation also continues to promote the digital transformation of the Group, provide smart integration services and operation strategy, and give back long-term support to shareholders with steady growth and profitability

We wish you good health and great fortune

Chairman : Miao, Matthew Feng Chiang

President : Ho, Jhi-Wu

## Two. Company profile

### I. Date of establishment: September 12, 2013

### II. Company milestones

- 2013
  - For the implementation of the industry holding operation and independent development policy aiming at the upgrade of overall performance and fortifying the competitiveness in market, MiTAC Holdings Corporation was established under a resolution of the shareholders meeting of MiTAC International Corporation on June 24, 2013, through share swap in accordance with pertinent laws. The company's contributed capital came to NT\$ 7,555,674,710. After the share swap, MiTAC International Corporation became a subsidiary under MiTAC Holding Corporation with 100% of its shares. The Company became listed in TWSE with the stock code 3706.
  - Mio MiVue™ R25 rear view Automobile Dashcam won the "ITMonth, Top 100 Innovative Products – Gold Award". MiVue M300 motorcycle Dashcam also won the "ITMonth Top 100 Innovative Products Award".
  - Magellan® Echo smart running watch won the "Summer Retailer Exhibition of USA with two best products".
- 2014
  - Magellan® Echo smart running watch won the 2014 CES Innovations, Design and Engineering Award.
  - Mio won the championship again in 2014 as the No. 1 consumer choice in GPS
  - MioCARE™/MioWORK™ L135 professional tablet PC products, Cyclo™ 500 outdoor navigation, MiVue™ 568 dashcam and MiVue™ M350 outdoor activity recorder won the 2014 iF Product Design Award.
  - Mio MiVue™ R25 rearview mirror dashcam and MioCARE™ drug information management system won the 2014 Taiwan Excellence award.
  - Won Supplier Excellence Award for Tier 1 Suppliers of automotive makers.
  - Won the 2013 Supplier Award from a Japanese multinational corporation.
  - Mio has been rated the No. 1 Consumer Ideal Brand for seven consecutive years.
  - The Group pushed forward professional job-division with the objective to achieve organizational upgrade and enhance the Company's overall competitiveness. As a part of the organizational restructuring plan, MiTAC International Corp. spun off the Cloud Computing Business Group to MiTAC Computing Technology Corp. (MCT) and MCT was formally established and began operating on September 1, 2014. After the spinoff, the Company has two subsidiaries, namely, MiTAC International Corp. and MiTAC Computing Technology Corp..



- 2015
  - Wellness Band, Mio MiVue™ 540 Dashcam, MioCARE™ /MioWORK™ A335 industrial tablet received iF Design Award 2015.
  - Mio MiVue™ R30 Dashcam won the “Best Choice of Computex 2015” award.
  - Mio was named as the No.1 brand of GPS products in the 2015 Consumers’ Ideal Brand organized by Management Magazine, Taiwan.
  - Mio MiVue™ 658 WIFI Dashcam and Classic 630 Traffic PND with Smart Alert won the “Innovation Award in ICT Month of 2015”.
  - Won the “Distinguished Partner Award” from a Japanese multinational corporation.
  - Construction of MiTAC Corporate HQ in Hwa Ya Technology Park in Taoyuan City, Taiwan commenced.
- 2016
  - Magellan® RoadMate 7670T-LM Dashcam Navigator received the “2016 CES Innovations, Design and Engineering Award”.
  - Mio was recognized as the Best Brand of Dashcam and GPS Products in the 2016 Consumers’ Ideal Brand organized by Management Magazine, Taiwan.
  - Magellan® Xplorist TRX7 off-road navigator won the prestigious TU-Automotive award as the 2016 Best Aftermarket Telematics Product/Service.
  - MiCor A100 electrocardiograph wristband received EU’s CE marking.
  - MiCor A100 electrocardiograph wristband received medical device license from TFDA.
  - MiTAC International Corp. invested in HEC/COMPUCASE Enterprise Co., Ltd. to boost both parties’ integrated competitiveness in products, data center and healthcare industry through strategic alliance.
  - Completion of MiTAC Corporate HQ in Hwa Ya Technology Park in Taoyuan City, Taiwan.
- 2017
  - Consecration ceremony of the building at KunShan, China.
  - Investment in the Infopower Technologies Ltd. of India for manufacturing of electronic products in India.
  - Mio was recognized as the Best Brand of Dashcam and GPS Products in the 2017 Consumers’ Ideal Brand organized by Management Magazine, Taiwan.
  - MiCor A100 electrocardiograph wristband and MiVue™ Dashcam received iF Design Award 2017.
  - The Megellan® navigation app for IoT was officially launched to market.
  - MiTAC International Corp. was awarded with “2017 Supplier Quality Zero Defect Award 2017” for Tier 1 Suppliers of automotive makers.
  - Mio MiVue™ 792 WiFi dashcam has received the IT Month Top 100 Innovative Elite Award.
  - The Return To Route navigation solution of Megellan® was adopted by the the New York City Department of Sanitation (DSNY) for deployment across its entire fleet of salt spreading vehicles.
  - MiTAC Computing Technology Corp. (MCT) received an award from a multinational corporation to recognize its organization’s exemplary

performance for datacenter execution and operations.

- MCT received the “2016 Supplier Award.” from a Japanese multinational corporation for its outstanding contribution and performances.
- MCT and MiTAC Information Systems Corp. received the “2016 Outstanding China Award” from a Chinese multinational corporation.
- Received the “2016 Supplier Quality Award” from a famous U.S. IT security company in recognition of MiTAC team’s outstanding accomplishments.
- MiTAC/TYAN released the new generation server platform supporting Intel® Xeon® Scalable Processors.
- TYAN of MCT announced the AMD EPYC server for NVMe flash memory storage application service.

- 2018
- MiTAC International Corp. Spin-off its mobile communication product group for the establishment of MiTAC Digital Technology Corporation, which was opened for business on January 1, 2018. After the spinoff, the Company has three subsidiaries, namely, MiTAC International Corp., MiTAC Computing Technology Corporation and MiTAC Digital Technology Corporation.
  - Mio won the duo-championship of the 2018 Consumer Preferred Brand for GPS and Dashcam.
  - MiTAC Computing Technology Corp. was awarded the Work-Life Balance Award-Employee Assistance Award by Ministry of Labor in 2018.
  - MiTAC Digital Technology Corporation “mobile device management system” won the “Bronze Medal Award” for terminal products and spare parts of the Taipei International Automobile Electronics Show.
- 2019
- MiTAC Computing Technology Corp. was granted the 2018 Best Supplier Award by its client, and was awarded Best Partner Award of the 2019 Open Data Center Summit.
  - MiTAC Computing Technology Corporation took over as co-chair of Open Compute Project Taiwan (OCP).
  - Mio MiVue™ Dashcam Series was chosen as “Best Choice” from Najdidevice, a Russian media, “Editor’s Best Choice” from IT-Expert, an Russian media, and “2019 Best IT Products Award” from Channelworld.cz in Czech Republic, and got high scores in the test performed by Which? in UK.
  - MiTAC offered high energy-saving benefits and was awarded the EMS Environmental Performance of the ISO Plus Awards by SGS.

- 2020
  - MiTAC is certified by the ISO 27001 Information Security Management System to significantly improve its information security protection.
  - The Company's ranking went up among the top 6%-20% of all listed companies participating in the corporate governance evaluation and was selected as one of the “TWSE CG 100 Index.”
  - MiTAC Digital Technology Corporation established factories in the Hsinchu Science Park and developed the automotive electronics, AIoT, and professional tablet products.
  - MiTAC Computing Technology Corporation’s professional value and results have been recognized by special awards from multinational corporations.
- 2021
  - The Company was ranked among the top 6%-20% of all listed companies participating in the corporate governance evaluation and selected as one of the “TWSE CG 100 Index.”
  - MiTAC’s Mio Cyclo™ Discover Series won the Taiwan Excellence Award of 2021 for bringing rich and unique riding experience to cycling navigation.
  - MiTAC Computing Technology Corp., MiTAC Digital Technology and MiTAC International Corp. received the “Taiwan iSports Enterprise certification” from the Sports Administration for their measures with respect to the widespread promotion of sports and healthy diets in 2021.
  - MiTAC Digital Technology’s Mio MiVue™ 892D 2K Ultra-high Resolution Dual-lens Dashcam received the 2021 Best Choice of COMPUTEX Award.
  - MiTAC Digital Technology’s connected dashcams were certified by Amazon AWS IOT, Amazon and AT&T.
  - MiTAC Digital Technology’s high-quality dashcams were certified by Japanese car brands. We were also selected to be an automotive accessory supplier for the car dealerships in Southeast Asia.
  - MiTAC Digital Technology obtained Japan’s certification for motorcycle accessory distributors and thus was allowed to sell its motorcycle dashcams in Japan.
  - MiTAC Computing Technology Corp.’s Hsinchu branch passed the RBA-VAP (Validated Audit Program of the Responsible Business Alliance) audit.
  - KunShan, China ‘s building began operating.
- 2022
  - MiTAC Digital Technology’s Mio Cyclo™ Discover Pal Cycling Navigation Solution and MioEYE K Series Video Telematics Solution won the Taiwan Excellence Award in 2022.
  - MiTAC Digital Technology Corp’s Telematics Management Solution won the Best Choice Award of COMPUTEX TAIPEI.
  - MiTAC obtained the “Badge of Accredited Healthy Workplace” from the Health Promotion Administration, MOHW for smoke-free, and healthy promotion.
  - MiTAC Computer (Shunde) Ltd. obtained the “2021 Foshan Digital and Smart Model Workshop” Award and “the 2022 Foshan Digital and Smart Level 2 Model Factory” Award.
  - MiTAC Computer (Shunde) Ltd. received "2022 Non-public Enterprises in

Shunde District "Double Love and Double Evaluation" Activity Caring for Advanced Enterprises for Employees".

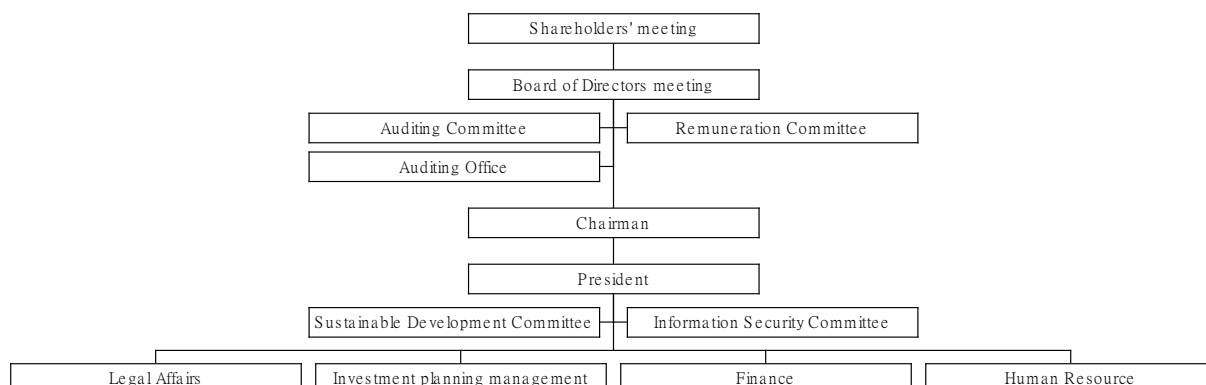
- 2023
- MiTAC Digital Technology Corp's "MioEYE K Series+Vision Max Video Telematics solution" and "MiVue™ R852D/ MiVue™ R855D Full-screen touch electronic rearview mirror dual-lens driving recorder" won the Taiwan Excellence Award in 2023.
  - MiTAC Digital Technology Corp's 4TG LTE Connected Dashcam - Mio MiSentry 12T / MiSentry A60 series / MioNEXT App won the 32nd Taiwan Excellence Award.
  - MiTAC Digital Technology Corp.'s e-mirror type rearview mirror dashcam – Mio MiVue R850 Series has been recognized in the User Interface (UI) category of the 2023 iF DESIGN AWARD.
  - MiTAC International Corp. and MiTAC Computing Technology Corp. participated in the "Promotion Plan for Electronic Information Smart Manufacturing and Service Robot Applications" and utilized CFX-IPC-2591 and HERMES to build a demonstration production line suitable for future high-end smart manufacturing (AI and big data) needs.
  - MiTAC Holdings Corp. has been honored as an outstanding enterprise in the "Proactive Evaluation of Occupational Health and Safety Indicators in Corporate Sustainability Reports" for the year 2023.
  - MiTAC Holdings Corp. won the silver medal in Electronic Information Products Manufacturing Category of the Sustainability Report Award in 2023.
  - MiTAC Holdings Corp. was selected by the Taoyuan City Government as the Taoyuan City Government Maternal Health Protection Alliance Model Business Unit.
  - Established a factory in Hanoi, Vietnam to expand global electronics manufacturing.
- 2024
- Established MITAC TECHNOLOGY (VIETNAM) COMPANY LIMITED, a subsidiary in Vietnam.

For further information on The Company, please visit the official website at: <https://www.mitac.com/>

## Three. Corporate Governance Report

### I. Organizational system

#### (I) Organizational Chart



#### (II) Departmental business operation

Departments	Principal business operation
Auditing Office	<ul style="list-style-type: none"> <li>Review the condition of the Company's operations and offer recommendations for improvement.</li> </ul>
Sustainable Development Committee	<ul style="list-style-type: none"> <li>This committee is responsible for formulating sustainable development goals and supervising various functional departments to carry out various sustainability-related action plans and results, so as to achieve the purpose of sustainable operation of the Company.</li> </ul>
Information Security Committee	<ul style="list-style-type: none"> <li>Promoting, coordinating, supervising and reviewing information security management matters.</li> </ul>
Legal Affairs	<ul style="list-style-type: none"> <li>Contract formulation and review.</li> <li>Consultation, support, and provision of business-related legal service ; legal issues in other aspects.</li> </ul>
Investment planning management	<ul style="list-style-type: none"> <li>Assess the operation and the development of the investees and map out related investment plans.</li> <li>Design and establish management regulation and manage the result of operation of the investees.</li> <li>Shares registration and transfer.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Financial operations and planning.</li> <li>Evaluation and research of domestic and international investment opportunities.</li> <li>Financial planning and various tax-related accounting treatment.</li> </ul>
Human Resource	<ul style="list-style-type: none"> <li>Human resources strategic planning and execution.</li> <li>Human resource management and talent development.</li> <li>Execution and management of administration, safety, and health issues.</li> </ul>

## II. Information on Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and managers of each department and division

### (I) Background of Directors

Unit: share March 30, 2024

Title	Country or place of registration	Name	Gender Age	Elected/ appointed date	Term	Date first elected	Shares held at time of election		Quantity of shares held		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Positions currently held at MiTAC or other companies	Other managers, directors, or supervisors who are the spouses or second-degree relatives				Note
							Shares held	Percentage	Shares held	Percentage	Shares held	Percentage	Shares held	Percentage			Title	Name	Relationship		
Chairman	ROC	MiTAC Inc.	-	May 31, 2022	3 Years	Jun. 24, 2013	104,431,091	8.66%	101,431,091	8.41%	0	0.00%	0	0.00%	None	None	None	None	None		
	US	Miau, Matthew Feng Chiang	Male 70~79 years old	May 31, 2022	3 Years	Jun. 24, 2013	12,174,721	1.01%	12,174,721	1.01%	0	0.00%	0	0.00%	National Chiao Tung University, Honorary Doctorate Santa Clara University, EMBA University of California Berkeley, California, USA, Bachelor, Electrical Engineering ITRI Laureate President, UPC Technology Corporation President, BOC Lien Hwa Industrial Gases Co., Ltd. Chairman, SYNEX Corporation (SYNEX) Independent Director, Galileo Independent Director, British Oxygen Company (BOC) Independent Director, The Linde Group (Linde) Representative, The APEC Business Advisory Council (ABAC) Convener, National Information and Communications Initiative (NICI) Advisory Committee Director, TD SYNEX Corporation Chairman, Chinese National Federation of Industries (CNFI)	Chairman, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, SYNEX Technology International Corp. Chairman, MiTAC Inc Director, Getac Holdings Corporation Independent Director, Cathay Financial Holding Co. Ltd. Director, CTCI Foundation	None	None	None		

Title	Country or place of registration	Name	Gender Age	Elected/ appointed date	Term	Date first elected	Shares held at time of election		Quantity of shares held		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Positions currently held at MiTAC or other companies	Other managers, directors, or supervisors who are the spouses or second-degree relatives			Note
							Shares held	Percentage	Shares held	Percentage	Shares held	Percentage	Shares held	Percentage			Title	Name	Relationship	
Director	ROC	Ho, Jhi-Wu	Male 70~79 years old	May 31, 2022	3 Years	Jun. 24, 2013	2,438,953	0.20%	2,018,953	0.17%	0	0.00%	0	0.00%	Master in Computer Science, Fairleigh Dickinson University Master in Science of International Economics, San Diego State University Marketing Manager, EMAG Engineering Inc.	President, MiTAC Holdings Corporation Director and President, MiTAC International Corp. Chairman and CEO, MiTAC Computing Technology Corp. Chairman and CEO, MiTAC Digital Technology Chairman, Tsu Fung Investment Corporation Director, 3-Probe Technologies Co., Ltd. Director, Promise Technology, Inc. Director, Whetron Electronics Co., Ltd Director, MiTAC Advance Technology Corp.	None	None	None	
Director	ROC	Chiao, Yu-Cheng	Male 60~69 years old	May 31, 2022	3 Years	Jun. 24, 2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MSEE, Washington University, USA MS in Telecommunication Engineering, Chiao Tung University Chairman, Walsin Lihwa Corp. Chairman, Nuvoton Technology Corporation	Chairman and CEO, Winbond Electronics Corp. Director, Walsin Lihwa Director, Walsin Technology Corp. Director, Nuvoton Technology Corporation Independent Director, Taiwan Cement Corporation Director, Cheng Hsin General Hospital	None	None	None	
Director	ROC	MiTAC Inc.	-	May 31,2022	3 Years	Jun. 24, 2013	104,431,091	8.66%	101,431,091	8.41%	0	0.00%	0	0.00%	None	None	None	None	None	
	ROC	Hsu, Tzu-Hwa	Male 70~79 years old	May 31, 2022	3 Years	Sep.13, 2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD, Electronic Engineering, University of California, Berkeley, California, USA President, LFE Aerospace Industry Corp. Vice Chairman of Board of East Tender Optoelectronics Corp. Independent Director of LuxNet Corporation	None	None	None	None	

Title	Country or place of registration	Name	Gender Age	Elected/ appointed date	Term	Date first elected	Shares held at time of election		Quantity of shares held		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Positions currently held at MiTAC or other companies	Other managers, directors, or supervisors who are the spouses or second-degree relatives			Note
							Shares held	Percentage	Shares held	Percentage	Shares held	Percentage	Shares held	Percentage			Title	Name	Relationship	
	ROC	Su, Liang (Note 2)	Male 70~79 years old	May 31, 2022	3 Years	July 3, 2018	0	0.00%	0	0.00%	11	0.00%	0	0.00%	Master, Institute of Information Management, Tamkang University Bachelor, Department of Computer Science, National Chiao Tung University EMBA, National Chengchi University Executive Director, Taipei Computer Association Chairman, GO SMART Preparatory Advisory Committee Chairman, Taiwan Smart City Solutions Alliance Vice President, RITEK Corporation Chairman, Chinese Foundation For Digitization Technology Technology Consultant, Taipei Rapid Transit Corporation Convener of Supervisory Committee of Taipei Computer Association	Vice Chairman & President, MiTAC Inc. Chairman & President, MiTAC Information Technology Corp. Chairman, MiTAC Advance Technology Corp. Independent Director, Mao Bao Inc. Independent Director, Whetron Electronics Co., Ltd. Director, Easycard Corporation Director, Far Eastern Electronic Toll Collection Co., Ltd. Director, MiTAC Hikari Corp. Director, CECI Engineering Consultants, Inc. Director, FETC Managing Director, Institute for Information Industry Supervisor, EasyCard Investment Holdings Co., Ltd.	None	None	None	
Director	ROC	UPC Technology Corp.	-	May 31, 2022	3 Years	June 24, 2013	99,802,598	8.27%	99,802,598	8.27%	0	0.00%	0	0.00%	None	None	None	None	None	



Title	Country or place of registration	Name	Gender Age	Elected/ appointed date	Term	Date first elected	Shares held at time of election		Quantity of shares held		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Positions currently held at MiTAC or other companies	Other managers, directors, or supervisors who are the spouses or second-degree relatives			Note
							Shares held	Percentage	Shares held	Percentage	Shares held	Percentage	Shares held	Percentage			Title	Name	Relationship	
	ROC	Way, Yung-Do	Male 70~79 years old	May 31, 2022	3 Years	Jun. 24, 2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MBA of Georgia University BA of Accountancy, Soochow University Senior Auditor, Deloitte Haskins & Sells, USA CEO, Deloitte Taiwan	Independent Director, Far Eastern Dept. Stores Ltd. Independent Director, Taita Chemical Co., Ltd. Independent Director, Cathay Financial Holding Co. Ltd. Independent Director, Cathay United Bank Company Limited Independent Director, Cathay Securities Corporation Director, Vanguard International Semiconductor Corporation Director, Iron Force Industrial Co., Ltd. Chairman, YCSY Co., Ltd.	None	None	None	
	ROC	Chang, Kwang-Cheng	Male 70~79 years old	May 31, 2022	3 Years	Sep.13, 2013	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD. Atmospheric Science, State University of New York, USA Honorary Doctorate in Theology, Dallas Baptist University, USA Honorary Doctorate, Tokyo Denki University MBA, State University of New York, USA Master of Atmospheric Science, State University of New York, USA Bachelor of Metrology, Dept. of Geography, National Taiwan University Director, Commerce Development Research Institute President, Shih Chien University President, Minghsin University of Science and Technology Visiting Professor, School of Business, University of Hawaii President, Chung Yuan Christian University Independent Director, Taiwan Power Company	Chairman, Chung Yuan Christian University	None	None	None	

Title	Country or place of registration	Name	Gender Age	Elected/ appointed date	Term	Date first elected	Shares held at time of election		Quantity of shares held		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Positions currently held at MiTAC or other companies	Other managers, directors, or supervisors who are the spouses or second-degree relatives			Note
							Shares held	Percentage	Shares held	Percentage	Shares held	Percentage	Shares held	Percentage			Title	Name	Relationship	
Independent Director	ROC	Lu, Shyude-Ching	Male 70~79 years old	May 31, 2022	3 Years	June 21, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	University of Hawaii System, Department of Electrical Engineering, EngD National Cheng Kung U., Department of Engineering Science, BS Director, Institute of Telecommunication, Ministry of Transportation and Communication, ROC Head, Division of Posts and Telecommunications Ministry of Transportation and Communication Deputy Director, Directorate-General of Telecommunication General Manager, Chunghwa Telecom Co., Ltd. Chairperson, Chunghwa Telecom Co., Ltd.	Independent Director, Radium Life Tech. Co., Ltd. Independent Director, Delta Electronics, Inc. Director, CTCI Advanced Systems Inc. Director, XRSpace Co., Ltd Director, Alpha Ring Asia Inc.	None	None	None	
Independent Director	ROC	Ma, Shaw-Hsiang	Male 70~79 years old	May 31, 2022	3 Years	June 21, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	BBA, Hitotsubashi University Chairman, MACISCO Ltd. Director & General manager, Federal Corp. General Manager, Jiangsu Jiaguo Construction Materials Processing Warehouse Co., Ltd.	Chairman, MAXON Corp.	None	None	None	
Independent Director	ROC	Hao, Ting	Male 60~69 years old	May 31, 2022	3 Years	May 31, 2022	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Founder, DAVICOM Semiconductor, Inc. Chairman, Association of NCTU Alumni Chairman, C-Com Corporation Staff in Charge, Communication, HQ of Compaq in Houston Doctor, Business Management, Victoria University Master, EECS, UC Berkeley Bachelor, Department of Electrical and Control Engineering, National Chiao Tung University	Chairman, DAVICOM Semiconductor, Inc. Independent Director, United Integrated Services Co., Ltd. Chairman, Chu-Ming Teching Foundation.	None	None	None	

Note 1: Please refer to Table 1 for information on the major shareholders of corporate shareholders

Note 2: Served as the representative of institutional supervisor from July 3, 2018 to April 17, 2019, and was elected as the representative representatives of institutional directors on May 30, 2019

**Table 1: Major Shareholders of Corporate Shareholders**

March 30, 2024

Name of institutional shareholders (Note 1)	Major shareholders of institutional shareholders (Note 2)	
	Name of shareholder	Name of shareholder
MiTAC Inc (Note 3)	Lien Hwa Industrial holdings Corp.	35.29
	SYNNEX Technology International Corporation	18.39
	Mei An Investment Co., Ltd.	10.56
	MiTAC International Corp.	8.71
	Tsu Fung Investment Corporation	5.37
	Hsu, Ai-Chen	1.98
	Hua Cheng Investment Co., Ltd.	1.92
	Miau, Matthew Feng Chiang	1.08
	Yih Feng Investment Corp.	0.75
	Hong Ding Investment Co., Ltd.	0.74
UPC Techonology Corp.	Lien Hwa Industrial holdings Corp.	31.10
	SYNNEX Technology International Corporation	5.05
	Yih Yuan Investment Corp.	1.58
	Liberty Stationery Corp.	1.51
	Mei An Investment Co., Ltd.	1.45
	Tsu Fung Investment Corporation	1.28
	MiTAC International Corp.	1.18
	Pornchai Engineering and Trading Corp.	1.10
	Tong Da Investment Corp.	1.06
	Yih Feng Investment Corp.	0.96

Note 1: If Directors serve as representatives of institutional shareholders, the names of institutional shareholders must be provided.

Note 2: Name the major shareholders (the top 10 owners) of the corporate shareholders and their shareholding percentage. Table 2 below is applicable if any of the major shareholders is an institutional entity.

Note 3: As the registration of transfer of shares for the 2024 annual general meeting has not ceased as of the publication date of this annual report, the information on the corporate shareholders was dated the ex-dividend date, namely the cut-off date for share transfer registration in 2023.

**Table 2: Major Shareholders of Major Corporate Shareholders**

March 30, 2024

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	
	Name of shareholder	Percentage of shareholding (%)
Lien Hwa Industrial holdings Corp	UPC Technology Corp.	9.68
	Yih Yuan Investment Corp.	9.14
	Yih Feng Investment Corp.	4.86
	Miau, Matthew Feng Chiang	3.19
	Miao, Feng-Chuan	3.02
	Y.S. Education Foundation	3.00
	Lien Hwa Industrial Holdings Corp. Employee Welfare Committee	2.82
	MiTAC International Corp.	2.79
	Miao, Feng-Sheng	2.51
	Jason Chow	2.23
	MiTAC Inc.	15.62
SYNNEX Technology International Corporation	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account held in custody by Taishin International Bank Co., Ltd.	8.02
	Yuanta Taiwan Dividend Plus ETF account	4.72

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	
	Name of shareholder	Percentage of shareholding (%)
SYNNEX Technology International Corporation	Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account with Taipei Fubon Bank acting as custodian	4.31
	Lien Hwa Industrial Holdings Corp.	3.57
	Morgan Standly Capital International managed account with HSBC (Taiwan) Bank acting as custodian	3.29
	Tu, Shu Wu	2.17
	Rong Syuan Investments Co., Ltd.	2.16
	Miau, Matthew Fung Chiang	1.71
	Mei-An Investment Co., Ltd.	1.43
Mei An Investment Co., Ltd.	Vision Quest Overseas Ltd.	82.25
	JumpStart Investments Ltd.	16.67
	Others	1.08
MiTAC International Corp.	MiTAC Holdings Corporation	100.00
Tsu Fung Investment Corporation	MiTAC International Corp.	100.00
Hua Cheng Investment Co., Ltd.	Lien Hwa Industrial holdings Corp.	100.00
Yih Feng Investment Corp.	Heng Fu Ltd. (British Virgin Islands)	100.00
Hong Ding Investment Co., Ltd.	Tu, Ying-Rong	41.88
	Tu, Ying-Hsuan	41.88
	Tu, Shu-Wu	8.55
	Tu, Hai-Chen	7.69
Yih Yuan Investment Corp.	Chuan Neng Ltd. (British Virgin Islands)	100.00
Liberty Stationery Corp.	Zhi-Jiang Investment Co., Ltd.	19.74
	Sung-Chen International Corporation	9.93
	Masateru Kadota	9.67
	Yayoi Kadota	8.74
	Takanori Kadota	8.90
	Complete Connection Limited	5.77
	Yu, Chien-An	5.19
	Hou, Hsiu-Wen	4.07
	Nam Fong Investment Co., Ltd.	4.02
	Chang, Cheng	3.54
Pornchai Engineering and Trading Co., Ltd.	Terawat Techapongvorachai	32.39
	Dusanee Techapongvorachai	14.52
	Terawan Techapongvorachai	14.52
	Chotedanai Techapongvorachai	12.86
	Nichamol Techapongvorachai	12.85
	Parinda Techapongvorachai	12.85
Tong Da Investment Corp.	Ho Li Investment Co., Ltd.	19.99
	SYNNEX Technology International Corporation	19.99
	Hua Cheng Investment Co., Ltd.	19.99
	Wei Cheng Investment Co., Ltd	19.99
	Tsu Fung Investment Corporation	19.99
	Chou, Te-Chien	0.05

Note 1: If any of the major shareholders listed in Table 1 is an institution, the name of the institution must be provided.

Note 2: Name the major shareholders (the top 10 owners) of institutional shareholders and their shareholding percentage.

1. Qualifications for directors, and disclosure of information on the independence of independent directors:

Qualifications Name	Professional qualifications and experiences	Compliance with independence requirements (Note 1)	Number of public companies where the person concurrently acts as an independent director
Chairman MiTAC Inc. Rep.: Miau, Matthew Feng Chiang	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. Contribute IT distribution and manufacturing knowledge, international business experience, and expertise in venture capital with long-term investor perspective to the company.	<p>Compliance with independence requirements: (6)(9)(10)(11)</p> <p>Non-compliance with independence requirements:</p> <p>(1)Serving as a manager of the Company and its affiliate (MiTAC International Corp., MiTAC Computing Tech. Corp., MiTAC Digital Tech. Corp.).</p> <p>(2)Serving as the Chairman and a director of the Company and its affiliates (MiTAC International Corp., MiTAC Computing Technology Corp. , MiTAC Digital Technology Corp.)</p> <p>(3)Holding more than 1% of the Company's total issued shares and being one of the top 10 individual shareholders.</p> <p>(4)Being the manager as specified in Item 1.</p> <p>(5)Serving as the chairman of 3 of the top 5 corporate shareholders (MiTAC Inc., UPC Technology Corp., Lien Hwa Industrial Holdings Corp.), who directly holds more than 5% of the Company's total issued shares, and the chairman and an employee of the corporate shareholders (MiTAC Inc. and UPC Technology Corp.) appointing representatives to be the directors of the Company under Paragraph 2, Article 27 of the Company Act.</p> <p>(7)Serving as the chairman or a president, holding an equivalent position in the Company and other companies (UPC Technology Corp., Lien Hwa Industrial Holdings Corp., SYNEX Technology International Corporation, MiTAC Inc.) or being the spouse thereof, and acting as a director or an employee of other companies.</p> <p>(8)Serving as a director and manager of specific companies engaged in financial or business transactions with the Company and its affiliate (MiTAC International Corp.).</p> <p>(12)Elected as a representative appointed by a legal person (MiTAC Inc.) under Paragraph 2, Article 27 of the Company Act.</p>	1

Qualifications Name	Professional qualifications and experiences	Compliance with independence requirements (Note 1)	Number of public companies where the person concurrently acts as an independent director
Director Ho, Jhi-Wu	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. With good operational judgment, knowledge of the technology industry, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (5)(6)(9)(10)(11)(12)  Non-compliance with independence requirements: (1) Serving as a manager of the Company and its affiliate (MiTAC International Corp., MiTAC Computing Tech. Corp., MiTAC Digital Tech. Corp.). (2) Serving as the Chairman and a director of the Company and its affiliates (MiTAC International Corp., MiTAC Computing Technology Corp., MiTAC Digital Technology Corp.) (3) Being one of the individual shareholders ranked among the top 10 in terms of the percentage of shares held thereby in the Company's total issued shares. (4) Being the manager as specified in Item. (7) Serving as the chairman or president, holding an equivalent position in the Company and in other companies (MiTAC International Corp., MiTAC Computing Technology Corp. and MiTAC Digital Technology Corp.) or being the spouse and acting as a director or an employee of other companies. (8) Serving as a director and manager of specific companies engaged in financial or business transactions with the Company and its affiliate (MiTAC International Corp.).	0
Director Chiao, Yu-Cheng	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. With expertise in promoting technological development and product innovation in the semiconductor industry and rich experience in improving the capacities for the development of memory and logic ICs. With knowledge of the technology industry, good operational judgment, operational management skills, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (1)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)  Non-compliance with independence requirements: (2) Serving as a director of the Company.	1

Qualifications Name	Professional qualifications and experiences	Compliance with independence requirements (Note 1)	Number of public companies where the person concurrently acts as an independent director
Director MiTAC Inc. Rep.: Hsu, Tzu-Hwa	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. Good at being the venture capital investor who seizes the best opportunities in satellite, communication and semiconductor areas and with knowledge of the venture capital industry, good operational judgment, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (1)(3)(4)(5)(6)(7)(8)(9)(10)(11)  Non-compliance with independence requirements: (2) Serving as a director of the Company. (12) Being elected as a representative appointed by the corporate (MiTAC Inc.) under Paragraph 2, Article 27 of the Company Act.	0
Director MiTAC Inc. Rep.: Su, Liang	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. With industry knowledge, good operational judgment, operational management skills, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements:(1)(3)(4)(6)(8)(9)(10)(11)  Non-compliance with independence requirements: (2) Serving as a director of the Company. (5) Serving as a director of the Company's corporate shareholder, who directly holds more than 5% of the Company's total issued shares, is one of the top 5 shareholders and has appointed a representative to serve as a director of the Company under Paragraph 2, Article 27 of the Company. (7) Serving as the chairman or a president, holding an equivalent position in the Company and other companies (MiTAC Inc.) or being the spouse, and acting as a director or an employee of other companies. (12) Being elected as a representative appointed by the corporate (MiTAC Inc.) under Paragraph 2, Article 27 of the Company Act.	2
Director UPC Technology Corp. Rep.: Way, Yung-Do	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company and having experience as a CPA. Experienced in accounting and financial analysis and with good operational judgment, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (1)(3)(4)(5)(6)(7)(8)(9)(10)(11)  Non-compliance with independence requirements: (2) Serving as a director of the Company. (12) Being elected as a representative appointed by the corporate (UPC Technology Corp.) under Paragraph 2, Article 27 of the Company Act.	4 (Note 2)

Qualifications Name	Professional qualifications and experiences	Compliance with independence requirements (Note 1)	Number of public companies where the person concurrently acts as an independent director
Director UPC Technology Corp. Rep.: Chang, Kwang- Cheng	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company and having experience as a lecturer or higher in departments related to the aforesaid areas in private colleges or universities. With knowledge of the academic field, operational management skills, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (1)(3)(4)(5)(6)(7)(8)(9)(10)(11) Non-compliance with independence requirements: (2) Serving as a director of the Company. (12) Being elected as a representative appointed by the corporate (UPC Technology Corp.) under Paragraph 2, Article 27 of the Company Act.	0
Independent Director Lu, Shyude- Ching	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. Having rich experience in the field of telecommunications and knowledge of the technology industry, accounting and financial analysis capabilities, good operational judgment, crisis management skills, leadership, decision-making skills and an understanding of international markets.	Compliance with independence requirements: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12) Non-compliance with independence requirements: None.	2
Independent Director Ma, Shaw- Hsiang	More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company. With the ability to strategize, identify system factors, integrate humanities and sciences and achieve innovation breakthroughs as well as knowledge of the technology industry, good operational judgment, operational management skills, crisis management skills, leadership, decision-making skills, and an understanding of international markets.	Compliance with independence requirements: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12) Non-compliance with independence requirements: None.	0



Qualifications Name	Professional qualifications and experiences	Compliance with independence requirements (Note 1)	Number of public companies where the person concurrently acts as an independent director
Independent Director Hao, Ting	<p>More than five years of work experience in business, law, finance, accounting, or other areas required for the operation of the Company.</p> <p>Accumulated 42 years of experience in the field of communications and semiconductors, and is well-known in the high-tech industry in Silicon Valley and Hsinchu Science Park.</p> <p>During his 28 years as the chairman of DAVICOM Semiconductor, Inc. in addition to improving the company's business strategy and supervising the company's ESG goals, he also actively cultivated outstanding professional employees, developed innovative and high-quality products, and strengthened the company's competitiveness. With an international perspective, plan the company's mid-to-long-term strategy, continue to create product multiplier value, protect the rights and interests of investors, and fulfill the legal and social responsibilities and obligations of directors.</p> <p>Good at technology industry management, financial and accounting analysis, global operation layout, crisis management and industrial investment, and has international market macro.</p>	<p>Compliance with independence requirements: (1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)</p> <p>Non-compliance with independence requirements: None.</p>	1

Note 1: The compliance with independence requirements is shown as follows:

- (1) Not an employee of the Company or its subsidiaries or affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
- (3) Not an individual shareholder holding more than 1% of the Company's total issued shares together with his/her spouse and minor children or holding such shares using another person's name or ranked among the top 10 individual shareholders.
- (4) Not a manager of (1), or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds more than 5% of the Company's total issued shares, or is ranked among the top 5 shareholders, or has appointed a representative to be a director or supervisor of the Company under Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (6) Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (The same does not apply, however, in

cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary).

- (7) Not the same person as the Company's Chairman, President or person with equivalent position, or the director, supervisor or employee of company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (8) Not a director, supervisor, manager or shareholder holding more than 5% of the shares of a specific company or institution engaged in financial or business transactions with the Company. (The same does not apply, however, in cases where the specific company or institution holds more than 20% and less than 50% of the Company's total issued shares, and the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NTD 500 thousand, or a spouse thereof. This restriction does not apply to any member of the Compensation Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to relative regulations of the Securities and Exchange Act and Business Mergers and Acquisitions Act.
- (10) The member was or is not in a spousal relationship nor a relative within the second degree of kinship.
- (11) The provisions of Article 30 of the Company Act are not applicable.
- (12) Not elected to the government, institution or their representatives under Article 27 of the Company Act.

Note 2: In accordance with Article 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", no independent director of a public company may concurrently serve as an independent director of more than three other public companies. Where an independent director of a financial holding company or of a TWSE listed or TPEx listed investment holding company concurrently serves as an independent director of more than one wholly owned subsidiary of that company, the number of such subsidiaries beyond one shall be included in the calculation of the number of subsidiaries at which the independent director concurrently serves under the preceding paragraph.

## 2. Diversity and independence of the Board of Directors

### (1) Diversity of the Board of Directors

#### A. Diversity policy:

The Board of Directors is formed in accordance with the Company's development and the shareholders of the major shareholders. There shall be proper board members in consideration of business needs.

Diversity shall be taken into account for the formation of the Board of Directors. An appropriate policy of diversity shall also be devised based on the operations, type of business and development requirements. The diversity criteria should include but not be limited to the following two standards:

- (a) Basic requirements and values: Gender, age, nationality, culture, etc.
- (b) Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

#### B. Specific goals:

Gender equality shall be ensured for the formation of the Board of Directors and all board members shall possess the knowledge, skills, and competence necessary to perform their duties. To achieve the goal of ideal corporate governance, the Board of Directors shall, on the whole, possess the following abilities:

- (a) Operational judgment ability.
- (b) Accounting and financial analysis abilities.
- (c) Operational and management ability.
- (d) Crisis management ability.
- (e) Industry knowledge.
- (f) Understanding of international markets.
- (g) Leadership.
- (h) Decision-making skills.

C. Implementation:

- (a) The Company focuses on operational judgment, operational management skills, and crisis management skills. A majority of the board members ought to possess the required core competencies:

Competency	Number of persons	Percentage
Operational judgment ability	10	100.00%
Operational and management ability	7	70.00%
Crisis management ability	10	100.00%

- (b) Proportion of directors who did not serve as the employees or managers of the Company concurrently:

For the purpose of supervision, there were 8 directors (80%) not serving as the employees or managers of the Company concurrently, which constitutes a majority of total directors.

(2) Independence of the Board of Directors

- A 、To ensure independence, a majority of the independent directors are not allowed to be reelected for more than 3 terms consecutively:  
Proportion of independent directors: 3 independent directors (30%). Two of them have not served more than three terms in office, and the other have not served more than one terms in office; therefore, none have served more than three terms.
- B. As none of the Company's board members are the spouses or 2nd-degree relatives to one another, the circumstances set forth in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act do not apply.

## (II) Information on Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and managers of each department and division

Unit: share March 30, 2024

Title	Nationality	Name	Sex	Elected/ appointed date	Shareholding		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Concurrent duties in other companies	Manager who is the spouse or kin within the 2nd tier.			No te
					Shares held	Percentage	Shares held	Percent age	Shares held	Percent age			Title	Name	Relations hip	
President	ROC	Ho, Jhi-Wu	Male	Sep. 12, 2013	2,018,953	0.17%	0	0.00%	0	0.00%	Master in Computer Science, Fairleigh Dickinson University Master in Science of International Economics, San Diego State University Marketing Manager, EMAG Engineering Inc.	Director and President, MiTAC International Corp. Chairman and CEO, MiTAC Computing Technology Corp. Chairman and CEO, MiTAC Digital Technology Chairman, Tsu Fung Investment Corporation Director, 3-Probe Technologies Co., Ltd. Director, Promise Technology, Inc. Director, Whetron Electronics Co., Ltd Director, MiTAC Advance Technology Corp.	None	None	None	
Vice President and Head of Finance	ROC	Huang, Hsiu-Ling	Female	Sep. 12, 2013	237,583	0.02%	0	0.00%	0	0.00%	Bachelor, Finance and Taxation, National Chung Hsing University Director of General Management Dept., Hanrei Technology Corporation Associate Manager of Accounting Department, MiTAC International Corp.	Vice President of Finance, MiTAC International Corp. Vice President of Finance, MiTAC Digital Technology Corp. Director, COMPUCASE Enterprise Co., Ltd. Director, Tsu Fung Investment Corp.	None	None	None	
CSO	US	Miau, Matthew Feng Chiang	Male	May 12, 2020	12,174,721	1.01%	0	0.00%	0	0.00%	National Chiao Tung University, Honorary Doctorate Santa Clara University, EMBA University of California Berkeley, California, USA, Bachelor, Electrical Engineering ITRI Laureate President, UPC Technology Corporation President, BOC Lien Hwa Industrial Gases Co., Ltd. Chairman, SYNEX Corporation (SYNNEX) Independent Director, Galileo Independent Director, British Oxygen Company (BOC) Independent Director, The Linde Group (Linde) Representative, The APEC Business Advisory Council (ABAC) Convener, National Information and Communications Initiative (NICI) Advisory Committee Director, TD SYNEX Corporation Chairman, Chinese National	Chairman, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, SYNEX Technology International Corp. Chairman, MiTAC Inc Director, Getac Holdings Corp. Independent Director, Cathay Financial Holding Co. Ltd. Director, CTCI Foundation	None	None	None	

Title	Nationality	Name	Sex	Elected/ appointed date	Shareholding		Shares currently held by spouse or dependents		Shares held in the names of others		Education and Experience	Concurrent duties in other companies	Manager who is the spouse or kin within the 2nd tier.			Note
					Shares held	Percentage	Shares held	Percent age	Shares held	Percent age			Title	Name	Relations hip	
											Federation of Industries (CNFI)					
Chief Corporate Governance Officer	ROC	Hsu, Che- Hsien	Male	Aug. 11, 2020	4,445	0.00%	0	0.00%	0	0.00%	Master of Science in Technology Management, College of Management, Fu Jen Catholic University Bachelor, Department of Business Administration, Soochow University Share Registration Director, MiTAC International Corp.	None	None	None	None	

### III. Remunerations to Directors, Presidents, and Vice Presidents

#### Remunerations to Directors and Independent Directors

Unit: In thousands of New Taiwan Dollars, 2023

Title	Name	Remuneration to the Directors								Sum of A, B, C and D, and the proportion to net income		Remuneration to employees holding concurrent positions								Sum of A, B, C, D, E, F and G, and the proportion to net income		Remuneration from investees other than subsidiaries, or from the parent company (H)
		Compensation (A)		Pension (B) (Note 1)		Director remuneration (C) (Note 2)		Business expenses (D)				Salaries, bonus, and special expenses (E)		Retirement pension (F) (Note 1)		Employee remuneration (G) (Note 3)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements				
																Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman	MiTAC Inc Rep: Miao, Matthew Feng Chiang	552	552	-	-	4,550	4,550	136	136	5,238 0.29%	5,238 0.29%	-	14,872	-	-	1,470	-	1,470	-	6,708 0.38%	21,580 1.21%	111
Director	Ho, Jhi-Wu																					
Director	Chiao, Yu-Cheng																					
Director	MiTAC Inc. Rep: Hsu, Tzu-Hwa																					
Director	MiTAC Inc Rep: Su, Liang																					
Director	UPC Technology Corp. Rep: Way, Yung-Do																					
Director	UPC Technology Corp Rep: Chang, Kwang-Cheng																					
Independent Director	Lu, Shyude-Ching	216	216	-	-	1,950	1,950	56	56	2,222 0.12%	2,222 0.12%	-	-	-	-	-	-	-	-	2,222 0.12%	2,222 0.12%	-
Independent Director	Ma, Shaw-Hsiang																					
Independent Director	Hao, Ting																					

Note 1: The figure for pension is the appropriated amount.

Note 2: Represents the amount of directors' remuneration that the board has proposed as part of the latest earnings appropriation.

Note 3: The amount of remuneration to employees planned to pay in the most recent year.

Note 4: The policies, systems, standards and structure with respect to the remuneration to independent directors, and the description of the correlation between the remuneration amount and the responsibility, risk and time devoted: The remuneration to the Company's independent directors is recommended with reference to their performance evaluation results, the Company's operating performance, and the general standards of the industry and then proposed by the Remuneration Committee to the Board of Directors for resolution.

Note 5: Analysis of the percentage of the total remuneration paid to the Company's directors by the Company and all the companies included in the consolidated financial statements in the most recent 2 years to the net income in the standalone financial statements and description of the policies, standards and packages for the remuneration, the procedure for determining the remuneration, and the association with the operational performance and future risk exposure:

The Board is authorized to determine the remuneration to the directors based on the Articles of Incorporation of the Company, with reference to the suggestion of the Remuneration Committee and general standards of the industry, and in consideration of future risk exposure. In addition, if there are earnings in the year, a maximum amount of 1% shall be appropriated as the remuneration to the directors under Article 25 of the Articles of Incorporation of the Company. The profit in 2023 was lower than that in 2022, and the total directors' remuneration was also lower than that in 2022, but the proportion of the after-tax net profit increased slightly.

Note 6: The Company does not disclose the name and remuneration of particular director. Therefore, the disclosure of remunerations was presented on a salary scale with the names of all concerned.

Note 7: Further to the remuneration disclosed in the above table, the remuneration received by the Company's directors for rendering services (e.g. serving as a consultant for the parent company/any of the companies included in the financial statements/investees, who is not regarded as an employee thereof): None.

## Salary Scale

Bracket of salaries paid to directors of the Company	Name of director			
	Total of first 4 items (A+B+C+D)		Total of (A+B+C+D+E+F+G)+(H)	
	The Company	All companies in the financial statements	The Company	All investees
Less than NT\$1,000,000	MiTAC Inc./Miau, Matthew Feng Chiang/Ho Jih-Wu/Chiao, Yu-Cheng/ Hsu, Tzu-Hwa/Su, Liang/UPC Technology Corp./Way, Yung-Do/Chang, Kwang-Cheng/Lu, Shyude-Ching/Ma, Shaw-Hsiang/ Hao, Ting	MiTAC Inc./Miau, Matthew Feng Chiang/Ho Jih-Wu/Chiao, Yu-Cheng/ Hsu, Tzu-Hwa/Su, Liang/UPC Technology Corp./Way, Yung-Do/Chang, Kwang-Cheng/Lu, Shyude-Ching/Ma, Shaw-Hsiang/ Hao, Ting	MiTAC Inc. /Chiao, Yu-Cheng/ Hsu, Tzu-Hwa/Su, Liang/UPC Technology Corp./Way, Yung-Do/Chang, Kwang-Cheng/Lu, Shyude-Ching/Ma, Shaw-Hsiang/ Hao, Ting	MiTAC Inc. /Chiao, Yu-Cheng/ Hsu, Tzu-Hwa/Su, Liang/UPC Technology Corp./Way, Yung-Do/Chang, Kwang-Cheng/Lu, Shyude-Ching/Ma, Shaw-Hsiang/ Hao, Ting
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)			Miau, Matthew Feng Chiang/Ho Jih-Wu	
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)				
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)				
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)				Miau, Matthew Feng Chiang
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)				Ho Jih-Wu
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)				
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)				
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)				
More than NT\$100,000,000				
Total	12	12	12	12

## Remuneration to President and Vice Presidents

2023

Unit: In thousands of New Taiwan Dollars

Title	Name	Salaries (A)		Pension (B)(Note 1)		Bonus and special expenses(C)		Employee remuneration (D) (Note 2)				Sum of A, B, C and D, and the proportion to net income		Remuneration from investees other than subsidiaries, or from the parent company (E)
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
President	Ho, Jhi-Wu	-	9,984	-	167	-	9,054	2,170	-	2,170	-	2,170 0.12%	21,375 1.20%	111
Vice President and Head of Finance	Huang, Hsiu-Ling													
CSO	Miau, Matthew Feng Chiang (Note 1)													

Note 1: The figure for pension is the appropriated amount.

Note 2: The amount of remuneration to employees planned to pay in the most recent year.

Note 3: Total remuneration, as a percentage of net income stated in the entity financial reports, as paid by the Company and by each other company included in the consolidated financial statements to the Company's presidents and vice presidents during the past 2 fiscal years, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure: the remuneration of the general manager and deputy general manager depends on their personal performance and contribution to the Company's overall operation, and is determined by referring to the Remuneration Committee's recommendations, peers' standards and consideration of future risk. The profit in 2023 was lower than that in 2022, and the total remuneration of the general manager and deputy general manager was also lower than that in 2022, but the proportion of the net income after-tax increased slightly.

## Salary Scale

Brackets of salaries to the President and all Vice Presidents	Name of President and Vice Presidents	
	Total of (A+B+C+D)+(E)	
	The Company	All investees
Less than NT\$1,000,000	Huang, Hsiu-Ling	
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	Miau, Matthew Feng Chiang/Ho, Jhi-Wu	
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)		
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)		
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)		Miau, Matthew Feng Chiang/Huang, Hsiu-Ling
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)		Ho, Jhi-Wu
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)		
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)		
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)		
More than NT\$100,000,000		
Total	3	3

## Names of managers entitled to employee remuneration and amount entitled

2023

Unit: In thousands of New Taiwan Dollars

	Title	Name	Amount paid in shares	Amount paid in cash	Total	Total amount in proportion to earnings before taxation (%)
Manager	President	Ho, Jhi-Wu	-	2,197	2,197	0.12%
	Vice President and Head of Finance	Huang, Hsiu-Ling				
	CSO	Miau, Matthew Feng Chiang				
	Chief Corporate Governance Officer	Hsu, Che-Hsien				

Note: The amount of remuneration to employees planned to pay in the most recent year.



#### IV. Corporate governance

- (I) The operation of the Board: The Board convened 5 times (A) in 2023. The attendance of the directors at the meetings is shown below:

Title	Name	Attendance in person B	Attendance by proxy	Percentage of actual attendance	Note
Chairman	MiTAC Inc. Rep: Miao, Matthew Feng Chiang	5	0	100.00%	
Director	Ho, Jhi-Wu	5	0	100.00%	
Director	Chiao, Yu-Cheng	4	1	80.00%	
Director	MiTAC Inc. Rep: Hsu, Tzu-Hwa	5	0	100.00%	
Director	MiTAC Inc. Rep: Su, Liang	5	0	100.00%	
Director	UPC Technology Corp. Rep: Way, Yung-Do	5	0	100.00%	
Director	UPC Technology Corp. Rep: Chang, Kwang- Cheng	5	0	100.00%	
Independent Director	Lu, Shyude-Ching	4	1	80.00%	
Independent Director	Ma, Shaw-Hsiang	5	0	100.00%	
Independent Director	Hao, Ting	5	0	100.00%	

Special notes:

- I. If any of the following circumstances was noted in the Board of Directors' meeting, the date, term, subject matter, all the opinions of the independent directors and the Company's response towards said opinions shall be stated:
- (I) Pursuant to Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee, and thus Article 14-3 of the Securities Exchange Act is not applicable. For relevant information, please refer to the "Operation of the Audit Committee" in this annual report.
- (II) In addition to the matters mentioned above, any resolution adopted by the Board of Directors for which dissent or reservation has been expressed by any independent director, which has been recorded in the minutes or any written statement: None.
- II. Regarding the situation of directors' conflict of interest recusal, the name of the director with potential conflict of interest, subject matter, reason for conflict of interest recusal and deliberation participation shall be recorded:

Date of the Board of Directors' meeting	Term	Names of the directors sought to avoid the conflict of interest	Subject Matter	Reasons for the avoidance of the conflict of interest	Participation in deliberation
2023.01.17	4 <sup>th</sup> Board 5 <sup>th</sup> Meeting	Miao, Matthew Feng Chiang Ho, Jhi-Wu	Review of the year-end bonus to managers in 2022 for resolution.	Concurrently serving as a manager	Passed unanimously as proposed by all attending directors entitled to vote.
2023.11.10	4 <sup>th</sup> Board 9 <sup>th</sup> Meeting	Miao, Matthew Feng Chiang Ho, Jhi-Wu	Review of the salary adjustment for managers		

- III. Evaluation of the Board of Directors:

In the 2023 performance evaluation result, the Board of Directors' performance was deemed excellent, indicating that the overall operation of the Board met corporate governance standards. The Chief Corporate

Governance Officer reported the results of his assessment to the Board of Directors on 2/23/2024.

Frequency	Period	Scope	Method	Contents
Once a year	January 1 to December 31, 2023	1. The Board 2. Individual Board members 3. Compensation Committee 4. Audit Committee	1. Board self-evaluation 2. Board member self-evaluation 3. Functional committee member self-evaluation	<p>I. Performance evaluation of the Board:</p> <ol style="list-style-type: none"> <li>1. Level of participation in the operation of the Company</li> <li>2. Improvement on the decision making quality of the Board</li> <li>3. Composition and structure of the Board</li> <li>4. Election and continuing education of Directors</li> <li>5. Internal control</li> </ol> <p>II. Performance evaluation on individual Board members:</p> <ol style="list-style-type: none"> <li>1. Their grasp of the Company's goals and missions.</li> <li>2. Their recognition of director's duties.</li> <li>3. Level of participation in the operation of the Company</li> <li>4. Their management of internal relationships and communication.</li> <li>5. Directors' professionalism and continuing training</li> <li>6. Internal control</li> </ol> <p>III. Performance evaluation for functional committees (Remuneration Committee and Audit Committee):</p> <ol style="list-style-type: none"> <li>1. Level of participation in the operation of the Company</li> <li>2. Understanding in the Functional Committee's duties</li> <li>3. Improvement on the decision making quality of the Functional Committee</li> <li>4. Composition and election of Functional Committee members</li> <li>5. Internal control</li> </ol>
<p>IV. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of the Audit Committee, improvement of information transparency, etc.), and the evaluation of such enhancements:</p> <ol style="list-style-type: none"> <li>1. The Company has established the "Rules of Procedure for Board of Directors Meeting" and implemented accordingly; all major resolutions made by the Board of Directors are disclosed on the Company's website.</li> <li>2. The Company also discloses information about directors' meeting attendance and continuing education regularly on the "Corporate Governance" section of the Market Observation Post System to ensure the timeliness and transparency of information disclosed.</li> <li>3. The Company has passed the motion for the establishment of the "Regulations for the Evaluation of the Performance of the Board" in the Board session whereby performance of the Board shall be subject to internal evaluation at least once a year and report to the Board.</li> <li>4. In the years ahead, the Company will fortify the functions of the Board of Directors in responding to applicable legal rules and the requirements of corporate governance.</li> </ol>				

(II) The operation of the Audit Committee:

1. In May 2019, the Company formed the Audit Committee consisting of all independent directors to replace supervisors. The Audit Committee operates mainly for the purpose of overseeing the following matters in accordance with the Company's "Charter of the Audit Committee":
  - (1) Fair presentation of the Company's financial statements
  - (2) Selection (release) of CPAs and their independence and evaluation
  - (3) Effective implementation of internal control
  - (4) The Company's compliance with relevant laws and regulations
  - (5) Management control of the Company's existing or potential risks
2. The Audit Committee review the following matters in 2023:
  - (1) Adoption of or amendments to the Internal Control System pursuant to Article 14-1 of the Securities and Exchange Act.
  - (2) Effectiveness Evaluation of the Internal Control System.
  - (3) Adoption of or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
  - (4) Matters in which a director is an interested party.
  - (5) Derivatives trading of a material nature.
  - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
  - (7) The offering, issuance, or private placement of equity-type securities.
  - (8) The hiring or dismissal of a certified public accountant and their compensation.
  - (9) The appointment or discharge of a financial, accounting, or internal audit officer.
  - (10) Quarterly and annual financial reports that are duly signed or sealed by the Chairman, managerial officer, and accounting officer.
  - (11) Other matters of material nature as prescribed by the Company or competent authority.
3. The Audit Committee held 5 (A) meetings in 2023. The attendance of the independent directors at the meeting is shown below:

Title	Name	Attendance in person (B)	Proxy attendance count	Percentage of actual attendance (%) (B/A)	Note
Audit Committee (Convener)	Lu, Shyude-Ching	4	1	80%	
Audit Committee	Ma, Shaw-Hsiang	5	0	100%	
Audit Committee	Hao, Ting	5	0	100%	

Special notes:

- I. In case of any of the following circumstances with respect to the Audit Committee's operation, the date, term and subject matter of the Audit Committee meeting as well as the dissent, reservation or major suggestion of any independent director, the Audit Committee resolution, and the Company's response to the Committee's opinions shall be specified:

(I) On issues stated in Article 14-5 of the Securities and Exchange Act:

Date	Term	Subject Matter	Dissent, reservation or major suggestions of independent directors	Resolutions	The Company's response to such Audit Committee members' opinions
2023.01.17	2 <sup>nd</sup> Committee 4 <sup>th</sup> Meeting	CPA service fees.	None	The motion was approved by all present members unanimously .	None
		In 2023 Q1, the external auditor was replaced, and their independent suitability was evaluated.			
		Additional limit of financing for subsidiaries – MiTAC Computing Technology Corporation			
		The issuance and termination of endorsement/guarantee for others			
2023.02.24	2 <sup>nd</sup> Committee 5 <sup>th</sup> Meeting	Completed preparation of 2022 business report and financial statements.			
		Proposal for the Company's 2022 earnings distribution			
		Evaluation on validity of the Company's internal control system design and implementation, and "Declaration of Internal Control"			
		Pre-approval of the non-assurance services of the CPA and accounting firm and its subsidiary companies to the company.			
		The issuance of endorsement/guarantee for others			
2023.05.09	2 <sup>nd</sup> Committee 6 <sup>th</sup> Meeting	The financial statements of Q1 2023 has been prepared.			
		The issuance and termination of endorsement/guarantee for others			
2023.08.11	2 <sup>nd</sup> Committee 7 <sup>th</sup> Meeting	The financial statements of Q2 2023 has been prepared.			
		Additional limit of financing for subsidiaries-MiTAC International Corporation			
		The issuance of endorsement/guarantee for others			
2023.11.10	2 <sup>nd</sup>	The financial statements of Q3 2023 has been prepared.	None	The motion was approved by all present	None
		Formulation of the Company 2023 audit plan			

	Committee 8 <sup>th</sup> Meeting	Pre-approval of the non-assurance services of the CPA and accounting firm and its subsidiary companies to the company.		members unanimously .	
		The issuance and termination of endorsement/guarantee for others			
(II) In addition to the aforementioned motions, other motions without approval by the Audit Committee but passed by the Board with 2/3 of the Directors: None.					
II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None.					
III. The communications between the independent directors, chief internal auditor and external auditors (e.g., the financial position, operation, and issues involved, and method and result of communication, etc.)					
(I) Communications between the independent directors and the internal audit officer:					
1. The Company submits a report on the identified deficiencies, improvements, and follow-ups in the previous month to the independent directors for review monthly. The independent directors review the report and give suggestions.					
2. The Company's internal audit officer regularly explains the implementation of audit activities and reports on the self-inspection carried out in response to the recent internal control failure incidents that occurred externally to the independent directors at the Audit Committee meeting held quarterly.					
3. The Company's internal audit officer and independent directors may directly reach each other, if needed, through smooth communication channels.					
4. The abstract of the internal audit officer's regular reports and communication contents on audit activities at Board meetings and Audit Committee meetings in 2023:					
Date	Nature	Focus of communication	Suggestions and implementation		
2023.01.17	Face-to-face communication with independent directors	Effectiveness of the design and implementation of the internal control system.	None		
		Report on the operation of the Auditing Office.	None		
2023.01.17	4 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Report on the operation of the Auditing Office.	None		
2023.02.24	5 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Report on the operation of the Auditing Office.	None		
		The findings of the internal audit of the internal control system in 2022 indicated no material defect with the issuance of the "Declaration of Internal Control" for proof of the effectiveness in the design and implementation of the internal control system of the Company.	Propose to the Board after approval		
2023.05.09	6 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Report on the operation of the Auditing Office.	None		
2023.08.11	7 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Report on the operation of the Auditing Office.	None		
2023.11.10	8 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Report on the operation of the Auditing Office.	None		
		2024 auditing plan	Propose to the Board after approval		

(II) Communications between the Independent Directors and CPAs: The independent directors of the Audit Committee communicate with the CPAs through the Audit Committee meetings, or individual meetings at least every half of a year ; on top of it, the CPAs may use written forms of communication and discussion when necessary.

Date	Nature	Focus of communication	Suggestions and implementation
2023.01.17	Separate communication meeting between the independent directors and CPAs	1. Define Audit Quality Indicator (AQI) 2. Direct communication with CPAs.	None
2023.02.24	5 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee	Communication with the governance team after the 2022 audit 1. Scope of audit and key audit matters 2. Matters for communication 3. Other matters for communication 4. Recent laws sharing	

(III) Corporate governance practices, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof:

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	✓		The Company has established corporate governance principles in accordance with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and published onto its website and on MOPS.	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
II. Equity structure and shareholders' equity: (I) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	✓		The Company has appointed a designated company spokesperson for responding to the recommendations, queries, and disputes from the shareholders.	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		The Company can properly control the composition of major shareholders and the ultimate parties in control of these major shareholders, and declares the quantity of shareholding by the directors, supervisors, and major shareholders on a monthly basis in accordance with the Securities and Exchange Act.	
(III) Has the Company established and implemented risk management and firewalls on companies it is affiliated with?	✓		The Company has established an internal control system and related rules and regulations in compliance with applicable legal rules, and has properly enforced such rules and regulations. In addition to self-assessment, the Board of Directors and the management has reviewed the self-assessment results of the departments and the audit reports of the auditing functions at regular intervals or at any time as needed to materialize the implementation of the internal control system. The Company seeks to establish viable financial, operation, and accounting systems in accordance with the requirements for public companies and to buttress the management of the subsidiaries and affiliates for proper control to reduce operational risk. The transactions with subsidiaries and affiliates were made under the principle of equality and fairness, and they are bound by related rules and regulations governing business and financial transactions among the entities.	
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		The Company has established a set of "Material Internal Information Procedures" and "Integrity Code of Conduct" to outline insiders' duty of confidentiality over material information. No insider is allowed to exploit material information for own gain or for the gains of others. The above procedures and code of conduct have been communicated to Directors, managers and all parties who come into contact with material insider information, whether due to identity, job role or controlling interest.	

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
III. Organization and functions of the Board of Directors				
(I) Are a diversity policy and specific management objectives established and implemented by the Board of Directors?	✓		According to Article 20 of the “Corporate Governance Best Practice Principles” of the Company, the Board shall consist of members from a diversity of professions and expertise the detail of which is disclosed at the website of the Company. The practice of the Board for this end is shown below: 1. The Board of Directors discloses the diversified policies on the composition of its members on the Company's website and MOPS. 2. Please refer to the “Diversity and Independence of the Board of Directors” section in page 22 of the annual report for the Board’s diversity policy and specific management objectives and the implementation thereof.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?		✓	Other functional committees will be introduced as needed by the Company.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? Are the results of the evaluation reported at the Board Meeting and used as reference for remuneration and the nomination for re-election?	✓		The Company has established regulations for evaluating the performance of the Board of Directors, and the performance evaluation is conducted at least once a year. The 2023 performance evaluation report has been submitted to the 2024 Board Meeting, and the results of the evaluation are disclosed on the “Corporate Governance” section on the Company’s website for reference. According to Article 25 of the Company's Articles of Incorporation, the Company shall set aside no higher than 1% of the earnings in the year as the remuneration to the directors, and reasonable rewards may be provided for them depending on the operating and their contribution to the Company's performance. The procedure for determining remuneration is based on the Company’s “Regulations for the Evaluation of the Performance of the Board” to provide reasonable remuneration with the Company’s overall operating performance, future operating risks, and the development trend in the industry taken into account and depending on the individual achievement and the contribution to the Company’s performance. The remuneration system is also reviewed from time to time according to actual operations and relevant laws to ensure a balance between the Company’s sustainable operation and risk control.	



Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(IV) Are CPAs' independence assessed on a regular basis?	✓		The Company assesses the independence and suitability of CPAs at least once a year, by referring to requirements in the Audit Quality Indicators (AQIs), the assessment form has been established with regard to their professional qualifications, their seniority in audit services, whether they are involved in the Company's interest (such as investing in the Company or serving as the Company's executive), and whether they have kinship relations to the Company's responsible person or managerial officers, whether there is regular training, whether the CPAs and the accounting firm have sufficient manpower and time for audit tasks, and charge the services reasonably for evaluation, and after obtaining the CPA's statement, the evaluation results were submitted to the Audit Committee and the Board of Directors for approval on February 23 <sup>rd</sup> , 2024	
IV. Does the TWSE/TPEX Listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	✓		<p>(I) In order to implement corporate governance and promote the effective function of the Board, the Company has approved the appointment of Mr. Hsu, Che-Hsien, as Chief Corporate Governance Officer of the Company on August 11, 2020 by the Board. The Chief Corporate Governance Officer is the highest executive in charge of corporate governance-related matters. The corporate governance personnel responsible for the corporate governance business of each relevant unit are responsible for various matters of corporate governance. The Company's Chief Corporate Governance Officer has more than 20 years of working experience at public offering companies engaged in financial, shareholders service affairs or deliberations management.</p> <p>(II) Implementation of major duties in 2023:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to board meetings, the Remuneration Committee and Audit Committee meetings according to laws and producing minutes.</li> <li>2. Assist Directors in continuing training: Provide information about Directors' continuing training, reminding them to complete the training hours and completing the application process in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</li> <li>3. According to the Company's "Regulations for the Evaluation of the Performance of the Board", the performance of the Board and the functional committees is regularly evaluated to strengthen the efficiency of the Board and functional committees.</li> <li>4. Provide Directors with information required for business operation.</li> <li>5. Assist Directors in compliance with laws and regulations, and make matters such as declaration of shareholding changes according to law.</li> <li>6. Handling matters relating to shareholders' meetings, and producing minutes according to laws.</li> </ol>	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies															
	Yes	No	Summary																
			<p>7. Report to the Board about the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their office.</p> <p>8. Handle matters related to the change of directors.</p> <p>9. Other matters as required by the Company’s Article of Incorporation or contract.</p> <p>(III) 2023 Continuing Education Training</p> <table><tr><th>Organizer</th><th>Course name</th><th>Study hours</th></tr><tr><td>The Chinese National Association of Industry and Commerce</td><td>2023 Taishin Net Zero Power Summit</td><td>3</td></tr><tr><td>Securities and Futures Institute</td><td>2023 Promotional Seminar for Prevention of Insider Trading</td><td>3</td></tr><tr><td>Securities and Futures Institute</td><td>Listed Companies and OTC Companies - Seminar of Insights into Derivatives Market and Moving to Corporate Sustainability</td><td>3</td></tr><tr><td>Securities and Futures Institute</td><td>2023 Conference of Education on Compliance with Laws Governing Insider Trading</td><td>3</td></tr></table>	Organizer	Course name	Study hours	The Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Power Summit	3	Securities and Futures Institute	2023 Promotional Seminar for Prevention of Insider Trading	3	Securities and Futures Institute	Listed Companies and OTC Companies - Seminar of Insights into Derivatives Market and Moving to Corporate Sustainability	3	Securities and Futures Institute	2023 Conference of Education on Compliance with Laws Governing Insider Trading	3	
Organizer	Course name	Study hours																	
The Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Power Summit	3																	
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Securities and Futures Institute	2023 Conference of Education on Compliance with Laws Governing Insider Trading	3																	
V. Does the Company have established a communication channel for the stakeholders (including but not limited to stockholders, employees, customers and suppliers), set the stakeholder section on the Company’s website, and responded to the stakeholders regarding their concerns over corporate social responsibilities?	✓		<p>The Company has created a stakeholders section on its website, and assigned dedicated personnel to communicate, handle and reply to stakeholders' queries. The corporate sustainability report has been made available on the website, which stakeholders may access and download at any time.</p> <p>Stakeholders section : <a href="https://www.mitac.com/en-global/stakeholders/index">https://www.mitac.com/en-global/stakeholders/index</a></p> <p>Download corporate sustainability report: <a href="https://www.mitac.com/en-global/csr_reports/index">https://www.mitac.com/en-global/csr_reports/index</a></p>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.”															
VI. Does the Company have commissioned a professional stock service agent to handle shareholders affairs?	✓		<p>The Company has commissioned Chinatrust Bank as the share administration agency, which is responsible for handling shareholder meeting affairs.</p>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.”															
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-	✓		<p>The Company has a website (<a href="http://www.mic-holdings.com">www.mic-holdings.com</a>) that discloses financial, business and corporate governance information in the investor and corporate governance sections.</p> <p>Investor section: <a href="https://www.mitac.com/zh-TW/investors_overview/index">https://www.mitac.com/zh-TW/investors_overview/index</a></p>	Compliant with the rationale and practices of “Corporate Governance															

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
related information?			Corporate governance section: <a href="https://www.mitac.com/zh-TW/corporate_governance/index">https://www.mitac.com/zh-TW/corporate_governance/index</a>	Best-Practice Principles for TWSE/TPEX Listed Companies.”
(II) Has the Company adopted other means to disclose information (e.g., English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)?	✓		The Company’s website is available in Traditional Chinese, Simplified Chinese and English, and dedicated personnel are appointed to gather and disclose information relating to the Company. The Company assigns a spokesperson and has an acting spokesperson policy in place. The presentation materials and videos of the investor conferences are accessible to investors on the Company’s website and the MOPS.	
(III) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?	✓		The Company announced and reported the annual financial statements within two months after the end of the 2023 fiscal year, and, as early as possible, announced and reported the Q1, Q2, Q3 financial statements and the operating status of each month in advance of the prescribed deadline.	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
VIII.Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of Company directors and supervisors)?	✓		<p>(I) Employee rights and privileges MiTAC firmly believes that people is the driving force for corporate development. For this reason, MiTAC highly values the rights and privileges of its employees and makes additional investment for their welfare to high standard further to the protection of the rights and privileges of the employees as required by law:</p> <ol style="list-style-type: none"> <li>1. Policies: (1) Labor/health insurance, pension contribution, employee training, safety and health measures, equal gender opportunities etc.</li> <li>(2) Provide different forms of fringe benefits for the employees with ceaseless effort, including group insurance, free physical examination, and subsidy for pleasure trips, gym, emergency aid, subsidy for matrimony/maternity/funeral, Interest-free subsidy for car purchase with advance salary,, subsidy for continuing education, parenting care and support for employees’ religious diversity.</li> <li>2. Implementation: (1) Duly observe applicable legal rules for the protection of the rights of employees.</li> </ol>	Compliant with the rationale and practices of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
			<p>(2) Employee welfare is managed by designated personnel.  (3) Designated employee relation personnel are appointed to respond to the personal needs of the employees. This service system is running well.</p> <p>(II) Concern for employees  1. Policies: MiTAC has appointed designated personnel for managing employee relations. These personnel are responsible for caring for the employees. Scope of service: Emergency aid, employee complaint, handling complaints, response to whistle-blowing and protection of whistle-blowers, employee health and hospitalization care, coordination of employee problems, prevention of sexual harassment at workplace, handling complaints and consultation in career development. MiTAC introduced the Employee Assistant Program in cooperation with an external consulting firm. Through psychological counseling and assistance from financial and legal experts, MiTAC helps its employees to relieve any psychological and life problems.</p> <p>2. Implementation: There were 38 cases involving Taiwanese employees' use of the staff assistance program during the year. The topic of consultation is mainly family counseling, personal health care, legal assistance, and psychological counseling. According to the result of the satisfaction feedback of individual cases, employees are able to receive adequate help through this channel and have highly praised this service. When employees or their families suffered from accidental injuries, natural disasters, or severe illness, or death, MiTAC will provide immediate and appropriate help in the form of financial aid. The purpose is to help these employees or families recovered from ailment and get back to their work quickly. This is the manifestation of The Company in caring for the employees and their families as an integral part of its corporate social responsibility. As mentioned, under the prerequisite of winning on both sides of the management and labor, this has been proven highly effective in bringing harmony and commitment to organizational stability at workplace.</p> <p>(III) Investor relation:  MiTAC firmly insists on the principles of sincerity and information disclosure, and spare no effort in making corporate governance transparent. In practice, MiTAC discloses its state of operation and financial position to shareholders. With the establishment of the spokesperson and acting spokesperson system, the Company has performed its obligation in disclosure under</p>	

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies								
	Yes	No	Summary									
			<p>due diligence. The Company has set up a “Investor section” in its website. Specialists and electronic mailbox have been made available to handle investors’ suggestions and queries.</p> <p>(IV) Supplier relations and stakeholders’ rights: The Group maintains long-term relationship with its suppliers to ensure continuity of material supply. Dedicated personnel have been assigned to resolve product-related problems and whatever queries raised by shareholders on the Company’s website, in the “Stakeholder section”, and thereby protect their interests.</p> <p>(V) Continuing education of directors: All the Directors of the Company have respective professional background in the industry. Information on the continuing education of the Directors 2023 is shown at MOPS in the section of “Corporate Governance” for the reference of the investors at any time.</p> <p>(VI)Implementation of risk management policies and risk measurement criteria: various risk management and assessments are conducted pursuant to the "Risk Management Policies and Procedures," approved by the board of directors, and the operation is reported to the board of directors at least once a year.</p> <p>(VII)Implementation of customer policies: The Group maintains sound relationship with customers to secure profitability.</p> <p>(VIII)Professional liability insurance for the protection of Directors and Manager: As per the requirement of the “Corporate Governance Best Practice Principles for TWSE/ Tpex -listed Companies”, MiTAC has taken professional liability insurance to protect the directors and the supervisors. Information is being disclosed at the “corporate governance” section of MOPS.</p> <table><tr><td>The insured</td><td>The insurer</td><td>The amount insured</td><td>Term of policy (starting and ending)</td></tr><tr><td>All directors and managers</td><td>Fubon Insurance Co., Ltd.</td><td>NT\$378,720thousand</td><td>November 15, 2023 to November 15, 2024</td></tr></table> <p>(IX) Licensing and certification of the Group's internal auditors: 1. IIA: 4 persons 2. CPA of the ROC:1 person</p>	The insured	The insurer	The amount insured	Term of policy (starting and ending)	All directors and managers	Fubon Insurance Co., Ltd.	NT\$378,720thousand	November 15, 2023 to November 15, 2024	
The insured	The insurer	The amount insured	Term of policy (starting and ending)									
All directors and managers	Fubon Insurance Co., Ltd.	NT\$378,720thousand	November 15, 2023 to November 15, 2024									
IX. Improvements made based on the latest corporate governance evaluation result announced by the Corporate Governance Center, Taiwan Stock Exchange, prioritized improvements and measures for areas to be improved.												
(I)Response to the 2023 Corporate Governance Evaluation Result:												
Evaluation Indicators in 2022		Improvement status										
Does the company have the majority of the directors (including at least one		More than half of the directors and the convener of the audit committee attended the										

Assessment criteria	Corporate governance in action			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
independent director) and convener of the audit committee, or at least one supervisor, attend in person at the shareholder's meeting, and are the attendance details recorded in the shareholder's meeting minutes?			2023 shareholders' meeting, and the minutes disclosed the attendance details.	
Sustainability reports align with SASB standards on disclosure of ESG information.			The Company’s 2022 Sustainability reports align with SASB standards on disclosure of ESG information.	
(II) Matters required further improvements as stated in the 2023 Corporate Governance Evaluation Result and the measures to be taken: The Company conduct the self-evaluation for the Corporate Governance Evaluation pursuant to the regulations of the competent authority; for various indicators failed to be achieved, the Company has proposed the prioritized improvement measures based on the Company's current situation, to gradually improve the corporate governance to enhance the image of corporate governance.				

(IV) If the Company has a remuneration committee or nomination committee, the formation, responsibilities and operation thereof shall be disclosed:

1. The Company established the Compensation consisting of 3 outside experts who satisfied criteria of professionalism and independence. The Committee holds meetings at least twice a year and exercises the following authorities in a professional and objective manner; its suggestions are raised for discussion in board meetings:

- (1) Periodically review the “Charter of the Remuneration Committee” and give suggestions for amendment.
- (2) Stipulate and regularly review the performance of the Company’s Directors and managers, as well as the annual and long-term performance goal, compensation policies, systems, standards and structure.
- (3) Regularly evaluate the achievement of the Company's Directors and managers' performance goals, and determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation.

## 2. Profiles of the Remuneration Committee members

Member Type	Name	Qualifications	Professional qualifications and experiences	Independence	If the member is also a member of the remuneration of other public companies, specify the number of these public companies.
Independent Director and Remuneration Committee Convener	Ma, Shaw-Hsiang		Refer to the information on directors on page 14		0
Independent director and member of the Compensation Committee	Lu, Shyude-Ching		Refer to the information on directors on page 14		2
Independent director and member of the Compensation Committee	Hao, Ting		Refer to the information on directors on page 14		1

## 3. The Operation of the Remuneration Committee

(1) The Compensation Committee of MiTAC consists of 3 members.

(2) Duration of service: May 31, 2022 to May 30, 2025 The Remuneration Committee held 3 meetings (A) in 2023. The qualifications of the members and their attendance to the meetings are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Percentage of actual attendance (%) (B/A)	Note
Convener	Ma, Shaw-Hsiang	3	0	100.00%	
Members	Lu, Shyude-Ching	2	1	66.67%	
Members	Hao, Ting	3	0	100.00%	

Special notes:

- I. Where the Board may not accept or revise the recommendations of the Remuneration Committee, specify the date and the instance of the Board session, and the content of the motions, the resolution of the Board, and the response to the opinions of the Remuneration Committee: None.
- II. If there is any adverse opinion or qualified opinion of the members in the decision of specific motions in the Remuneration Committee on record or with written declaration, specify the date and the instance of the committee meeting, the content of the motion, the opinions of all members and the response to the opinions of the members: None.
- III. Discussion matters and resolutions of Compensation Committee meetings, and the Company's response to members' opinions:

Date	Term	Subject Matter	Resolutions	The Company's response to members' opinions
2023/01/17	1 <sup>st</sup> meeting in 2023	Review of the year-end bonus to managers in 2022 for resolution	No objection	None
		Review of the 2022 Board performance evaluation indicators for resolution	No objection	None
		Review of the remuneration to directors in 2022 for resolution	No objection	None
		Review of the remuneration structure to subsidiaries manager for resolution	No objection	None
2023/08/11	2 <sup>nd</sup> meeting in 2023	Matters to report only, no matters of discussion		
2023/11/10	3 <sup>rd</sup> meeting in 2023	Review and approval of the special bonuses to manager	No objection	None

4. Explanation of the link between performance evaluation and remuneration of directors and managers

(1) Compensation policy, standards/packages, of the directors and executive officers:

A. According to Article 16 fo the Articles of Incorporation,directors remuneration authorize the board to determine the remuneration of Directors according to the recommendation from the Remuneration Committee of the Company and the general standards within the industry.According to Article 25 of the Articles of Incorporation, when the Company has a profit (i.e. pre-tax profit before distribution of remuneration to employees and directors) in the current fiscal year, the Company shall allocate at least 0.1% of the profit as the remuneration to the employees and no higher than 1% as the remuneration to the directors. However, if the Company still has accumulated losses, it shall retain the compensation amount. In accordance to "Rules for Performance Evaluation of Board of Directors" The performance is reviewed regularly and the evaluation indicators for directors are as follows:

- Their grasp of goals and missions.
- Their recognition of director's duties.
- Level of participation in the operation of the Company
- Their management of internal relationships and communication.
- Directors' professionalism and continuing training
- Internal control



B. The Company's Remuneration Committee recommends managers' remuneration based on industry salary levels and internal managers' duties and responsibilities and submits it to the board of directors for approval to achieve competitiveness and internal balance. Incentive bonuses are also awarded based on the company's operating performance and individual work performance. According to Article 25 of the Articles of Incorporation, when the Company has a profit in the current fiscal year, the Company shall allocate at least 0.1% of the profit as the remuneration to the employees. The performance evaluation indicators for managers are as follows:

- Financial indicators (revenue, profit target)
- Non-financial indicators (key performance indicators responsible for functions)

C. The Remuneration Committee determines the company's remuneration packages, including base salary, short-term bonuses (including performance bonuses and profit sharing), long-term bonuses, various benefits, and other benefits; its scope is consistent with the remuneration of directors and managers in the annual report.

(2) The procedures for determining the remuneration :

- A. Directors' and managers' remuneration is reviewed periodically based on the "Regulations for the Evaluation of the Performance of the Board," and their performance evaluation results are then proposed to the Board of Directors for resolution.
- B. The performance evaluation and the remuneration of the Company's directors and managers are reviewed annually by the Remuneration Committee and the Board of Directors. In addition to individual performance achievement rates and contributions to the Company, the Company's overall operating performance, industry trends, and future risk exposure are also considered. The remuneration policy is reviewed in a timely based on operating conditions and relevant laws and regulation. The 2023 remuneration is recommended with reference to their performance evaluation results, the Company's operating performance, and the general standards of the industry and then proposed by the Remuneration Committee to the Board of Directors for resolution.

(3)The relationship between operating performance and future risk exposure:

- A. The policies, systems, standards and structure with respect to the remuneration and the description of the correlation between the remuneration amount and the responsibility, risk and time devoted: The remuneration is recommended with reference to their performance evaluation results, the Company's operating performance, and the general standards of the industry and then proposed by the Remuneration Committee to the Board of Directors for resolution.
- B. The performance targets for managers are combined with risk management to ensure a balance between sustainable business operations and risk control. Performance ratings are based on performance and relate to salary and remuneration policies. Important decisions of the company's management are

made after evaluating various risk factors. The results of the decisions are reflected in the company's profitability, and the management's remuneration is related to the performance of risk control.

5. The Company does not have a nomination committee in place.

(V) Deviation between the sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company have a governance structure for promoting sustainable development and a unit that specializes (or is involved in) in sustainable development promotion? Does the Board of Directors authorize the senior management to handle and oversee relevant matters?	✓		<p>(I) The Company appoints the President Office and relevant corresponding units to be responsible to form the “Sustainable Development Committee,” for the presentation and implementation of sustainable development policies, systems, or related management policies and specific promotion plans, and prepare the “Sustainable Report on a regular basis.</p> <p>(II) Since its establishment in 2021, the "Sustainable Development Committee" convenes meeting semiannually, to identify major issues concerned by the six major stakeholders. Each unit conducts programs for each issue, and revises the goals and policies related to the issues, to ensure that each is implemented and evaluated for implementation. These are reported to the board of directors regularly (once a year).</p> <p>(III) Based on the historical greenhouse gas inventory data, as well as the electricity consumption required for future business growth, while referring to the clean energy policy at the of the place of operation, in 2021, the Company established the emission reduction pathway for the next decade. These were reported to the board of directors and explained in the important internal meetings, and the plan is that the future product design for energy-saving and weight reduction will be the important development directions.</p> <p>(IV) Operation in 2023:</p> <ol style="list-style-type: none"> <li>1. In 2023, the Company participated in the Carbon Disclosure Project (CDP) and received a B-score.</li> <li>2. The Company has accepted the CSA assessment, to invite HR, IT, PR &amp; administration to complete the questionnaire, to further understand the corporate capabilities and strategic goals of international institutions on ESG issues.</li> <li>3. Governance - introduced the AA1000 Assurance Standard to certify the sustainable development reports; completed the parent company's greenhouse gas inventory and ISO14064 verification schedule planning to cope with the sustainable development roadmap for the TWSE and TPEX listed companies with quarterly controls; based on the risk management policies and procedures, report the results of risk identification, and develop countermeasures for high-risk items.</li> </ol> <p>Environmental - the promotion of renewable energy and the implementation of tree planting program. Social – In 2023, Hsinchu factory received a silver rating in RBA VAP.. Various ESG projects are actively promoted both internally and externally, to</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof								
	Yes	No	Summary									
			continuously improve the capabilities and resilience of the Company's business and management continuity.									
II. Does the Company conduct risk assessment for environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>This disclosure covers the Company's main bases in 2023, including existing bases in Taiwan, China, and the Americas.</p> <p>The sustainability issues have been resolved by the Sustainable Development Committee based on the principle of materiality, there were 17 sustainability issues in total. Also, according to the degree of impact on the Company and the concern of stakeholders, 6 major issues are sorted out.</p> <table><tr><th>Important Issue</th><th>Risk assessment item</th><th>Description</th></tr><tr><td rowspan="2">Environment</td><td>Compliance with laws</td><td>Through the internal environmental protection engineering system and the requirements for supplier's environmental policy, the product environmental protection compliance system process system is developed, and through the contract management system, the implementation of the compliance review mechanism is ensured.</td></tr><tr><td>Energy and GHG management</td><td>Implementing energy-saving and carbon reduction measures can reduce the company's energy costs, improve energy efficiency, and decrease reliance on non-renewable energy. Introducing the ISO 14064 management system, promoting internal carbon pricing, reduce carbon footprint, and continuing to improve the clean energy ratio by introducing rooftop solar energy. The clean energy percentage point has reached 6.82% in 2023.</td></tr></table>	Important Issue	Risk assessment item	Description	Environment	Compliance with laws	Through the internal environmental protection engineering system and the requirements for supplier's environmental policy, the product environmental protection compliance system process system is developed, and through the contract management system, the implementation of the compliance review mechanism is ensured.	Energy and GHG management	Implementing energy-saving and carbon reduction measures can reduce the company's energy costs, improve energy efficiency, and decrease reliance on non-renewable energy. Introducing the ISO 14064 management system, promoting internal carbon pricing, reduce carbon footprint, and continuing to improve the clean energy ratio by introducing rooftop solar energy. The clean energy percentage point has reached 6.82% in 2023.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
Important Issue	Risk assessment item	Description										
Environment	Compliance with laws	Through the internal environmental protection engineering system and the requirements for supplier's environmental policy, the product environmental protection compliance system process system is developed, and through the contract management system, the implementation of the compliance review mechanism is ensured.										
	Energy and GHG management	Implementing energy-saving and carbon reduction measures can reduce the company's energy costs, improve energy efficiency, and decrease reliance on non-renewable energy. Introducing the ISO 14064 management system, promoting internal carbon pricing, reduce carbon footprint, and continuing to improve the clean energy ratio by introducing rooftop solar energy. The clean energy percentage point has reached 6.82% in 2023.										

Assessment criteria	Corporate governance in action				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No	Summary			
			Important Issue	Risk assessment item	Description	
			Economy	Business Strategy and Performance	Regularly hold the Company strategy and operation meetings, to ensure that product positioning and technological innovation are in line with industry trends. Incorporation is made to the corporate culture through digital and intelligent management systems, to improve the Company's operating efficiency.	
				Risk Management	The annual assessments based on "Risk Management Policies and Procedures" are conducted. The assessment items include quality processes, environmental safety, labor’s human rights, self-assessment of internal control, information security, and climate change, to enhance corporate resilience.	
			Society	Talent attraction and retention	Through diversified talent recruitment channels, the talents needed for business development are provided, and talents are encouraged to stay for further development through systematic on-the-job training and talent development mechanisms.	
				Customer Service	The Company has established a Personal Data Protection Committee and formulated a "Personal Data Protection Policy," with special emphasis on privacy protection for ODM customers and consumer product customers, ensuring compliance with GDPR regulations. Additionally, the Company has strengthened information security by obtaining ISO 27001 certification to prevent data breaches.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system	✓		The Company has set up a platform for the management of restricted use of chemical substances according to a technical specification, IECQ QC 080000, to effectively			Compliant with the rationale and practices of “Sustainable Development Best Practice

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
established in accordance with its industrial character?			manage hazardous substances and regularly maintain the ISO 14001 management system in the production and business locations.	Principles for TWSE/TPEX Listed Companies.”
(II) Is the Company dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?	✓		<ol style="list-style-type: none"> <li>1. Enhance the efficient use of all resources, such as the use of photovoltaic energy, renovation for green lighting, the use of T5 energy efficient light bulbs, renovation of the air-conditioner compressors, optimization of electrical devices, the use of variable-frequency devices and green electrical appliances, the recycled use of heat from air compressor for water heating, renovation of fuel boilers, and the automated control of air-conditioning system. 23 energy-saving plans were implemented in 2023, saving approximately 2,730 MWh of electricity and reducing carbon emissions by approximately 2,000 tons.</li> <li>2. Clean energy set to reach 10% by 2025.</li> <li>3. In order to cherish the Earth's resources and reduce the impact on the environment, MiTAC pursues a paperless e-process. For paper, the Company encourages double-sided printing. The Company also encourages the use of recycled toner cartridges and recycled plastic garbage bags. The disposable utensils are fully withdrawn from the employee canteen in Taiwan.</li> <li>4. Green product design, the average percentage of recycled plastic introduced into the 2023 server product series' &gt;25g plastic parts is 14%.</li> </ol>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(III) Does the Company assess the potential risks and possibilities of climate changes to the Company now and in the future, and take measures to respond to climate-related issues?			<u>(refer to (VI)Climate-Related Information of TWSE/TPEX Listed Company</u>	
(IV) Does the Company record the greenhouse gas emissions, water consumption and total weight of waste produced in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?	✓		<ol style="list-style-type: none"> <li>1.The Company regularly inventories the greenhouse gas emissions of the previous year every year, the scope of inventory includes: direct greenhouse gas emissions, indirect greenhouse gas emissions from input energy, indirect greenhouse gas emissions caused by transportation (business trips and product transportation), and indirect emissions from waste removal and treatment. Third-party verification has provided the verification results since 2020, so we can better grasp the progress of the Group's carbon reduction pathway.</li> <li>2.There were 23 energy-saving programs in 2023, and the total electricity consumption saved was about: 2,730kW</li> <li>3.The annual emissions of greenhouse gases (GHG), water consumption, and total weight of waste for the past 2 years are disclosed as below: (1)Greenhouse gas emissions: refer to (VI)Climate-Related Information of TWSE/TPEX</li> </ol>	

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof																								
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			<p><u>Listed Company</u></p> <p><u>(2) Water consumption:</u></p> <p>Most of the water consumption in the Company's plants and offices is tap water (Municipal potable water) (about 95%). Due to the industrial attributes, there is no water demand during the manufactory process; thus, there is no output of industrial wastewater; the water usage is in line with the laws and regulations of the local government. The internal water inventory is promoted, and various water-saving measures are continued to implement, adopting water intensity as an observation indicator, to respond to water resource risks caused by climate change as early as possible. Targets set for 2023: taking 2021 as the base year, the water intensity (waste output per unit’s revenue) will be reduced by 1% every year, and the total reduction will be 5% by 2026.</p> <p>(Including the water consumption of the subsidiaries) thousand metric tons/NT\$ million</p> <table><tr><th>Year</th><th>Total water consumption</th><th>Water consumption per unit</th></tr><tr><td>2022</td><td>470</td><td>0.0098</td></tr><tr><td>2023</td><td>418</td><td>0.0118</td></tr></table> <p><u>(3) Waste output:</u></p> <p>The Company’s most basic requirement is the compliance with laws and regulations; each operating base operates in accordance with the environmental management system and has a dedicated management unit. By strengthening the classification management operations and outsourced waste output in each plant area, qualified suppliers with effective waste treatment capabilities are screened based on the best treatment technology corresponding to the characteristics of the waste with inspections to ensure that waste properly disposed from time to time. Depending on the types of wastes, they may be recycled, reused, heat treated, incinerated or landfilled to ensure that no secondary environmental pollution is caused. Targets set for 2023: taking 2021 as the base year, the waste intensity (waste output per unit’s revenue) will be reduced by 1% every year, and the total reduction will be 5% by 2026.</p> <p>(Including the waste output of the subsidiaries) metric tons/NT\$ million</p> <table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Recyclable waste</th><th>Waste output per unit</th></tr><tr><td>2022</td><td>141</td><td>475</td><td>2,216</td><td>0.0553</td></tr><tr><td>2023</td><td>168</td><td>414</td><td>2,028</td><td>0.0608</td></tr></table>	Year	Total water consumption	Water consumption per unit	2022	470	0.0098	2023	418	0.0118	Year	Hazardous waste	Non-hazardous waste	Recyclable waste	Waste output per unit	2022	141	475	2,216	0.0553	2023	168	414	2,028	0.0608	
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IV.Social issues	✓																											
(I) Does the Company have the relevant			The Group duly observes the “Universal Declaration of Human Rights”, “United Nations	Compliant with the rationale																								

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?			<p>Guiding Principles on Business and Human Rights”, and “ILO Convention”, follows the requirements defined by the Responsible Business Alliance (RBA), and respects the internationally-recognized basic human rights, including the prohibition of the employment of children, elimination of forced labor in any form, eradication of employment discrimination, and prevention of workplace violence. Meanwhile, the Group also establishes the regulations and rules governing employees’ rights and obligations, including the “Declaration of Employment Policy”, “Child Labor Remedy, Protection of Underage Labor and Female Labor Standard” and “Free Labor to Choose Jobs, Humane Treatment, Non-discrimination Management Standards” in accordance with the labor laws and regulations of the places where it operates, and updates the same in a timely manner in response to policy amendments, if any.</p> <p>In order to promote the employees’ understanding of legal labor rights, the Company has incorporated human rights education into the compulsory training for all the employees and compiled textbooks that cover the government regulations, company integrity management principles, Responsible Business Alliance (RBA) Code of Conduct. In addition to the compulsory training for new employees, all the employees must participate in online retraining every year.</p>	and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect the results of operating performance in employee compensation?	✓		<p>In addition to complying with the “Labor Standards Act” and relevant regulations, MiTAC conducts salary and welfare policy surveys every year, which is used as a reference for formulating reasonable and market competitive employee welfare measures and providing salary and compensation policies.</p> <p>Performance evaluation is conducted every six months on the individual’s performance. MiTAC provides promotion opportunities, salary adjustment opportunities as well as performance bonuses.</p> <p>-Bonuses: The Company offers Festival bonuses, and year-end performance bonuses are based on the company, department and individual performances.</p> <p>-Salary adjustment: The company sets the overall salary increase range every year with reference to the price index, industry increase and company operating conditions, and then determines the individual increase based on individual salary levels and performance.</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
(III) Does the Company provide employee with a safe and healthy work environment, and provide safety and health education to	✓		<p>The Group also duly observes the Occupational Safety and Health Act with the enforcement of the following rules and regulations:</p> <p>1. Monitor the management of safety and health, take the safety and health of employees</p>	



Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
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employees regularly?			<p>as the utmost basis for enterprise operation. Obtain the ISO 45001 occupational safety and health management system in the R&amp;D headquarter and each plant area, while striving to provide the safety of employees, customers, suppliers, neighborhood communities and other stakeholders with healthy and low-risk operating conditions and working environment, and implementing various management measures, to implement a "continuous improvement" safety culture through the PDCA cycle.</p> <ol style="list-style-type: none"> <li>2. Perform the necessary workplace environment tests (lighting, CO2, noise &amp; organic solvent) every six months, and carry out the bacteria count test on drinking water every three months.</li> <li>3. Conducts annual fire drill and maintenance declarations. In 2023, there was no fire incident, building inspection conducted every two years and improvements implemented immediately.</li> <li>4. Carry out health check-up on every employee every two years as healthy employees are important assets of the Company; in addition to health check-up items defined under the labor health protection rules, there are also a number of cancer screenings and ultrasound examinations to take care of employees with benefits superior to the laws and regulations.</li> <li>5. Organized the health promotion event, "Walk for Health," combined with ESG to organize beach cleanups, marine ecological walk events, multiple exercise classes and health seminars to enhance employee interaction and promote a positive, healthy atmosphere in MiTAC. Planned long-term health promotion activities, using healthy diet/diversified exercise/health seminars to encourage colleagues to move towards a normal BMI index; and then the "Badge of Accredited Healthy Workplace" from the Health Promotion Administration and the "Taiwan I Sports Enterprise Certification" badge from the Sports Administration, Ministry of Education.</li> <li>6. The Company conducts programs for maternal health protection and MiTAC Holdings Corp. was selected by the Taoyuan City Government as the Taoyuan City Government Maternal Health Protection Alliance Model Business Unit in 2023.</li> <li>7. The safety and health education and training for new recruits, and general safety and health education and training for all employees are conducted regularly, while taking the implementation of environmental, safety and health policies and protection of earth resources as the starting point, to actively plan various safety and health training, eco-friendly waste reduction, and public advocacy events, to promote disaster prevention and mitigation, combined with ESG indicators to conduct parallelly the events in the Week of Safety and Health in Workplace in four aspects, namely diversified learning, practical exchanges, health care, and public welfare promotion, to enhance employees' workplace safety and health awareness, and build a safe,</li> </ol>	

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof										
	Yes	No	Summary											
			<p>secure and mind-peaceful friendly working environment.</p> <p>8. Arrange the initial and re-training courses for professional personnel, such as occupational safety and health management personnel, nursing personnel, first aid personnel, forklift operators, fire-fighting management personnel, organic solvent operation supervisors, radiation safety operators, waste disposal technicians, and energy management personnel.</p> <p>9. The maps of fire-fighting equipment locations and evacuation route are posted in the office area. Every six months, the regular training courses for self-defense and fire-fighting are conducted with in the format of team, as well as the drills of using fire-fight equipment, chemical leakage, and precautions of typhoon and flood.</p> <p>10. Post the safety precaution notice in the work areas of the production area, and provide the employees with training regarding work safety.</p> <table border="1"> <tr> <td colspan="2">Statistics on personnel training/drills in Taiwan in 2023</td> </tr> <tr> <td>Basic safety and health training (including initial and re-training): sessions</td> <td>443</td> </tr> <tr> <td>Basic safety and health training (including initial and re-training): total of attendees</td> <td>3,297</td> </tr> <tr> <td>Evacuation and disaster prevention training and drill: sessions</td> <td>38</td> </tr> <tr> <td>Evacuation and disaster prevention training and drill: total of attendees</td> <td>2,437</td> </tr> </table> <p>11. For the prevention of accidents and response to emergencies, automatic non-invasive AED was placed at the main hall of the facilities in Hsinchu and Hwa Ya.</p> <p>12. When introducing/modifying operating procedures, adding/changing raw materials, and changing or expanding equipment, the operating process, chemical safety data, equipment specification documents, and the safety protection measures arising during changes are reviewed pursuant to the procedures of applying for change management to identify and prevent possible hazards.</p> <p>13. Amended the contractor management procedures, to strictly inform the contractors of the working environment, operational hazardous factors and disaster prevention countermeasures, while strengthening the inspections and management of high-risk tasks, and conducting safety and health education and training for operators on-site to eliminate operational hazards.</p> <p>14. Establish procedures based on the technical guidelines for risk assessment, to reduce the hazards caused by routine and non-routine operations through continuous hazard identifications and risk assessments. Each unit identifies the hazards with unacceptable risks or opportunities for improvement from physics, chemistry, biology and human engineering, to take appropriate preventive management measures for controlling risks to an acceptable level.</p>	Statistics on personnel training/drills in Taiwan in 2023		Basic safety and health training (including initial and re-training): sessions	443	Basic safety and health training (including initial and re-training): total of attendees	3,297	Evacuation and disaster prevention training and drill: sessions	38	Evacuation and disaster prevention training and drill: total of attendees	2,437	
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	Yes	No	Summary	
			15. When an accident occurs in the workplace, the department with the accident notifies the Safety and Health Management Office, to activate the handling and accident investigation, and correct and prevent the cause of the accident, to ensure the safety and health of the operating personnel and prevent the recurrence of the accident. According to statistics, there were 2 in-plant injuries in Taiwan in 2023; 12 traffic accidents involving commuting employees. The Company actively plans to invite police authorities or property insurance companies to give employees courses in defensive driving promotion for traffic safety	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		<p>The Group provides training courses for new employees and professional and supervisory positions, combining career growth and company development to assist employees' career development and functional promotion. In 2023, the employee training hours totalled 358,303, an average of 62 hours/person.</p> <ol style="list-style-type: none"> <li>1. We provide orientation training and new employee courses to new employees while department heads are responsible for work guidance. Counsellors are assigned to help new employees adapt to the team and environment through various arrangements to assist new employees in quickly becoming familiar with and integrating into the company's operations.</li> <li>2. The company requires managers to engage employees in two-way discussions about career plans every six months to assist employees in career planning. Department heads have been assigned to organize professional training, while a rotation system is in place to help employees develop multiple talents to enhance competitiveness.</li> <li>3. Furthermore, the Company encourages employees with managerial roles to enroll in on-the-job postgraduate programs and EMBA programs to further refine their professional and management skills.</li> </ol>	
(V) With respect to the issues related to products and services, such as customer health and safety, customer privacy, marketing and labeling, does the Company conform to the relevant regulations and international standards and establish the relevant rights protection policies and complaint procedures for the consumers or customers?	✓		The Group is devoted to protecting customers' interests as part of its product responsibilities. Products are designed from a life cycle perspective, and the final approval weighs upon a number of factors such as environmental protection, convenience to consumers, and protection of consumers' interests. Customer complaint channels have been established, while litigation and claims procedures are also available for consumers to state their claims. Customers are able to raise queries or recommendations through the contact methods specified on the web page (at <a href="https://www.mitac.com/zh-TW/stakeholders">https://www.mitac.com/zh-TW/stakeholders</a> ).	
(VI) Does the Company formulate a supplier management policy that requires suppliers	✓		All of our new suppliers must pass the supplier evaluation and comply with the supplier code of conduct.	Compliant with the rationale and practices of "Sustainable

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?			<p>Also, the main or key suppliers must possess required certifications:</p> <ul style="list-style-type: none"> <li>• Suppliers of raw materials used in processes: must pass the ISO9001 Quality Management System certification</li> <li>• Factory and operation-related contractors: must obtain the ISO 45001 Occupational Health and Safety Management System certification</li> <li>• Local suppliers: must possess effective factory registration certificates issued by local governments according to business type, as well as the ISO 14001 Environmental Management certification.</li> </ul> <p>Regarding the supplier's corporate social responsibility, the suppliers are required to receive the RBA audit during the quality operation audit. The audit items include labor ethics, and environmental health and safety. Improvement measures shall be taken for the deficiencies within the required timeframe.</p> <p>The Company also requires the suppliers, through the management platform (e-SCM), to provide test reports for product environmental protection specifications such as the absence of hazardous substances, to ensure that products comply with RoHS regulations. For the ethical issues of RBA conflict minerals, through the initiatives with customers and the RMI Responsible Mineral Sources, suppliers are required to continue to maintain raw materials compliant on a rolling basis, to perform well for the source management of the supply chain.</p>	Development Best Practice Principles for TWSE/TPEX Listed Companies.”
V. Does the Company use internationally accepted standards or guidelines for preparation of reports as reference in preparing the corporate sustainability report and other reports disclosing non-financial information of the Company? Have such reports been assured, verified or certified by a third party?		✓	The Company prepares the "2023 Sustainability Report" pursuant to the internationally accepted report preparation guidelines (GRI Standards), and commissions SGS Taiwan to assure the report, confirming that the report complies with the GRI Standards core compliance options and AA 1000 Type1 Moderate Assurance Level Requirements. The disclosure is made in the report.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
VI. In the event that the Company has established sustainable development practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between the implementation and the established principles: The Company has established sustainable development practice principles, which conform to the rationale and practices of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”				
VII. Other information useful to the understanding of the promotion of sustainable development:  1.Responsibility for environmental protection (1)Systems and : a.In response to the requirement of RoHS/WEEE Directives and REACH, we have installed the green product platform with the organization of the measures green supply chain management.				

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			<p>b.For conflict minerals, the Company evaluated the supply at least once a year, and through the power of purchasing, the Company urges upstream suppliers to cooperate.</p> <p>c.Launching a tree planting program, and being committed to slowing down global warming, water resource protection and development of biodiversity.</p> <p>(2)Status of implementation : a.For performing the corporate responsibility or environmental protection in electronic industry, MiTAC upgrades its capacity in speeding up the procurement of green items for its products and parts through green procurement from the suppliers in order to supervise the suppliers to reduce or ban the use of hazardous substances in the production.</p> <p>b.Through the supply chain management platform, the qualified smelters released by RMI are inventoried on a rolling basis, to meet customer requirements.</p> <p>c.As of 2023, 15,250 trees had been restored. An environmental seminar about Plant-for-the-Planet was held, and those who attended were also invited to plant a tree in Hwa Ya Technology Park, Taiwan, to contribute to environmental protection and climate change.</p>	
2. Contribution to society:				
(1)Systems and measures			<p>: a. Sponsorship of the Y.S. Creative Award, which helps develop local design talents and improve industry competitiveness.</p> <p>b. Delve into college campuses to hold exchange seminars and workshops, to share management experience and industry experience.</p> <p>c. Cultivate talents through industry-university cooperation</p>	
(2)Status of implementation			<p>: a.MiTAC sponsors the Y.S. Award of Creativity, an event that awards outstanding software designs, industrial designs, and micro film productions.</p> <p>b.Provide internship opportunities for students (Yuan Ze University and Minghsin University of Science and Technology).</p>	
3. Social charity:				
(1)Systems and measures			<p>: a. Organize charity events from time to time and encourage the employees to take care of the social vulnerable groups within their means.</p> <p>b. Donate our own products and services to the charity groups or institutions in need</p> <p>c.Promote and engage in environmental and climate change issues.</p>	
(2)Status of implementation			<p>: a.Public welfare groups are invited to perform at the year-end parties. There are also blood donation events. Donate offerings for the Ghost Festival to "Guishan Station of Angels with Lovely, Huashan Social Welfare Foundation." Charity fund raising for D.D.Angels, proceeds from the charity sales donated to Ruth Society for disability services. Donation of used clothes to local recycling station . Donation of cash and commodities during the winter and to Hsinchu HRen-Ai Children's Home As well as the voluntary monthly donations from the Children Club of MiTAC.</p> <p>b. Sponsored Chinese Taipei Softball Association for persons with disabilities and the standard Chartered Taipei Marathon</p> <p>c. Cooperated with the tree planting team of Tse-Xin Organic Agriculture Foundation to restore the abandoned cultivated lands in Fushou Mountain, and the forest restoration project for the mountains after fire of the National Taiwan University Mountain Forest Farm. A total of 6,250 trees were planted in the high mountain area in 2023.</p> <p>d.Hosted 4 blood drives in 2023, 101,250CC of blood were raised.</p> <p>e. In 2023, a total of 750 people participated in the public welfare events of related companies for a total of 715 hours; the related donations and expenditures for public welfare events were about NT\$6 million, and the employees donated NT\$0.7 million</p>	
4. Consumers' rights and privileges:				

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(1)Systems and measures			: For realizing the responsibility for the consumers, MiTAC customer service team spares no effort in creating innovative models and logistics support system, and promotes this idea and system to all customer service teams of MiTAC in different countries of the world.	
(2)Status of implementation			: The Mio/NAVMAN/MAGELLAN brands of MiTAC unveiled the following to the consumers. a. "Online Repair Service" allows the customers to request for repairs without the constraints of time and place. b. "Mio Online Service" offers round-the-clock question and answer for Mio product information. c. "Mio Online Update" allows for online product update through simple procedures.	
5. Human rights:				
(1)Systems and measures			: a. Under the Employment Policy of the Group, local employees and the physically and mentally impaired in respective countries and regions where MiTAC has its facilities will be considered for employment at the top priority. All employees are treated equally and entitled to the same opportunities, such as salary, promotion, reward and training, regardless of their race, age, skin color, gender, sexual orientation, language, education, religion, occupation, politics, nationality, region, birth, social status, class, property or other status. Whether in the process of recruitment or work, managers of any department must treat all employees equally without any discrimination. b. MiTAC concerns for the rights and privileges of its employees, and duly obeys the code of conduct defined by the Responsible Business Alliance ("RBA") and relevant labor regulations in countries where it operates. It strictly prohibits employment of child labors less than 16 years old and never employs any child labors. Protect the employees' human rights, irrespective of race, skin color, gender, language, religion, political affiliation or opinion, nationality, social background, wealth, birth, or any other identity differences, from any discriminative treatment in employment or work. Any form of forced labor is strictly forbidden, including contract labor and bonded labor. Meanwhile, MiTAC insists on the humane treatment toward employees, and stop any violence, corporal punishment, mental or physical threat and public humiliation. c. MiTAC is dedicated to maintaining gender equality among gender diversity in workplace, and strives to ensure equal opportunities and protect employees' dignity by strictly prohibiting against sexual harassment in the workplace.	
(2)Status of implementation			: a. MiTAC recognizes the contribution of people with different talents. Any addition or alteration of the policy of the terms and conditions of employment will be made through mutual consultation and coordination with the people concerned. There has been no dispute so far. We provide employment opportunities for native laborers and disabled persons in various regions. In 2023, we hired 28 disabled employees in Taiwan and 34 disabled employees in China. b. MiTAC duly obeys labor regulations and respects the opinions of its employees. Any addition or amendment to the employment policy is fully negotiated between employees and the management. In 2023, 4 labor-management meetings were held regularly according to law. No employment-related dispute has arisen so far. c. MiTAC has implemented a set of "Regulation Governing the Prevention of Sexual Harassment at Workplace and Complaints" and established a sexual harassment complaint hotline. Any complaint raised will be attended to by dedicated personnel. In addition, lectures on the prevention of sexual harassment are being held regularly to avoid sexual harassment in the workplace. For any sexual harassment problem that has occurred in the workplace, these policies and practices have been soundly enforced so far. d. The Group emphasizes the issues of workplace diversity and equality. In addition to paying males and females equally for equal work, in each	

Assessment criteria	Corporate governance in action			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
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department, the gender proportion is appropriate. Female employees account for40.5% of the Company's workforce, and 26% of the management are female employees, embodying rights equality in the workplace.				

(VI) Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation status																				
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>Regarding climate change issues, the Company evaluates the risks and opportunities of climate change based on the TCFD recommendation framework. The Company formed the “Sustainable Development Committee” under its subsidiary MiTAC International Corp. The Committee is responsible for identifying climate change risk factors and assessing risks and opportunities under different circumstances. In addition, this committee is responsible for collecting and verifying annual greenhouse gas emissions data and reporting the data to the board of directors. This allows the board of directors to track the status of carbon reduction footprint regularly, consider climate change risk factors for global strategic planning, fully consider the transition risks and opportunities of climate change when developing low-carbon products, and take climate change factors into consideration for major asset investments. 14 risk items were identified for regulatory risks, market risks, technology risks, and other transformation risks, as well as physical risks; 12 opportunity items were identified for climate change risks. Based on the risk assessment results, three key risk items and three climate opportunities were raised.</p> <table><tr><th colspan="3">【Climate Change Risks】</th><th colspan="2">Unit: In thousands of New Taiwan Dollars</th></tr><tr><th>Categ ory</th><th>Key Risk Items</th><th>Tim e</th><th>Response Strategies</th><th>Financial Impact Assessment</th></tr><tr><td>Regul ations</td><td>Carbon fees leading to higher raw material costs</td><td>Lon g- term</td><td>1.Develop guidelines for volume and waste reduction design to mitigate the use of affected raw materials. 2.Implement circular economy operations and research opportunities to increase the recycled material ratio of petrochemical materials. 3.Introduce procurement of low-carbon emitting petrochemical and steel materials.</td><td>2,026</td></tr><tr><td>Mark et</td><td>Increased GHG Emission Costs</td><td>Mid- term</td><td>1.Enhance incentives for developing energy-saving schemes through ICP (internal carbon pricing). 2.Invest in establishing photovoltaic power generation equipment, utilizing the rooftops of existing facilities for solar panel installation, and consider the benefits of investing in off-site photovoltaic power plants in the future. 3. Increase awareness of climate change and carbon emission reduction among employees through training and corporate culture reform, encouraging all-hands participation in emission reduction actions.</td><td>1,487</td></tr></table>	【Climate Change Risks】			Unit: In thousands of New Taiwan Dollars		Categ ory	Key Risk Items	Tim e	Response Strategies	Financial Impact Assessment	Regul ations	Carbon fees leading to higher raw material costs	Lon g- term	1.Develop guidelines for volume and waste reduction design to mitigate the use of affected raw materials. 2.Implement circular economy operations and research opportunities to increase the recycled material ratio of petrochemical materials. 3.Introduce procurement of low-carbon emitting petrochemical and steel materials.	2,026	Mark et	Increased GHG Emission Costs	Mid- term	1.Enhance incentives for developing energy-saving schemes through ICP (internal carbon pricing). 2.Invest in establishing photovoltaic power generation equipment, utilizing the rooftops of existing facilities for solar panel installation, and consider the benefits of investing in off-site photovoltaic power plants in the future. 3. 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Item	Implementation status				
	<b>【Climate Change Risks】</b>				Unit: In thousands of New Taiwan Dollars
	Category	Key Risk Items	Time	Response Strategies	Financial Impact Assessment
	Market	Increased asset amortization costs due to enhancing asset energy efficiency for carbon reduction	Short-term	1. Collaborate with ESCO companies to identify suitable equipment for replacement, develop annual scrapping and replacement lists, and reduce capital investment. 2. Extend equipment lifespan by investing in high-efficiency equipment with lower operating costs to reduce long-term maintenance costs. 3. Monitor government subsidies for climate change adaptation, such as energy-saving subsidies and tax exemptions, to reduce overall emission reduction costs	3,607

Item	Implementation status			
	<b>【Climate Change Opportunities】</b>			Unit: In thousands of New Taiwan Dollars
	Category	Key Risk Items	Time	Response Strategies
	Assisting suppliers in low-carbon transition to reduce procurement costs.	Long-term	1. As CBAM initially targets plastic and steel products for the imposition of carbon taxation, collaboration in research and development enables suppliers to effectively reduce carbon emissions in the production process, thereby minimizing the increase in carbon fees. 2. Long-term contracts provide suppliers with stable order guarantees, encouraging them to invest in low-carbon technologies and process improvements. 3. Incorporating low-carbon production into green procurement policies prioritizes suppliers with low-carbon production methods.	1,197

Item	Implementation status			
	Effectively execute climate change BCP	Mid-term	<p>1. Combining scenario analysis with precise risk identification and assessment is crucial to evaluate the impact of extreme weather events such as floods, droughts, and hurricanes, as well as long-term climate change factors like rising sea levels and temperature fluctuations on operations, as well as gain a grasp on corresponding disaster events.</p> <p>2. Regular testing and drills of the BCP are necessary to ensure its effectiveness, with improvements made based on the results of these drills.</p> <p>3. Implementing monitoring mechanisms allows for continuous surveillance of climate change-related risks and trends. Regular assessments and updates to the BCP are essential to reflect new risks and changes in business conditions.</p>	>10,000
	Use of low-carbon energy sources	Short-term	<p>1. Transitioning to clean energy sources can result in immediate reductions in electricity expenses in the short term while offering stable long-term benefits in carbon emissions reduction.</p> <p>2. Monitoring Corporate Power Purchase Agreements (CPPAs), whether through collective procurement or supply chain mechanisms, offers the potential to boost demand and lower the cost of low-carbon energy.</p> <p>3. Additionally, keeping an eye on carbon credit markets and complying with local regulations regarding carbon credit usage in manufacturing regions can help mitigate the need for low-carbon energy or address emission reduction challenges through alternative methods.</p>	8,098

Item	Implementation status												
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	<div>1. The annual emissions of greenhouse gases (GHG), water consumption, and total weight of waste for the past 2 years are disclosed as below:</div> <div>1.Greenhouse Gas Inventory Information</div> <table><tr><th>Year</th><th>Scope 1 (metric tons CO2e)</th><th>Scope 2 (metric tons CO2e)</th><th>Emission per unit (metric tons/NT\$ million)</th></tr><tr><td>2022</td><td>3,847</td><td>36,948</td><td>0.85</td></tr><tr><td>2023</td><td>3,159</td><td>33,979</td><td>1.05</td></tr></table> <div>(Referring to the Scope 1 and Scope 2 emissions of the subsidiaries, accounting for more than 95% of the Group's total emissions)</div> <div>2. Greenhouse Gas Assurance Information</div> <div>The Company regularly inventories the greenhouse gas emissions of the previous year every year, the scope of inventory includes: direct greenhouse gas emissions, indirect greenhouse gas emissions from input energy, indirect greenhouse gas emissions caused by transportation (business trips and product transportation), and indirect emissions from waste removal and treatment. Through the verification results, we can better grasp the progress of the Group's carbon reduction pathway.</div> <div>(1.)Scope of assurance : MiTAC Holdings Corporation. (parent) , MiTAC International Corp.- Taoyuan , MiTAC Computing Technology Corp. - Taoyuan , MiTAC Digital Technology Corporation -Taoyuan , MiTAC International Corp.- Hsinchu , MiTAC Computing Technology Corp. - Hsinchu , MiTAC Digital Technology Corporation - Hsinchu , MiTAC Computer (KunShan) Co., Ltd , MiTAC Information Systems (KunShan) Co., Ltd. , MiTAC Computer (Shunde) Ltd , MiTAC Information Systems Corp. ‘s direct and indirect emission sources include all manufacturing and management facilities, employee living areas, offices, production lines and public areas.</div> <div>(2.)Assurance institutions : TUV NORD Taiwan Co., Ltd.</div> <div>(3.)Assurance standards : ISO 14064-1 : 2018</div> <div>(4.)Assurance opinion : Disclosed in the sustainability report.</div>	Year	Scope 1 (metric tons CO2e)	Scope 2 (metric tons CO2e)	Emission per unit (metric tons/NT\$ million)	2022	3,847	36,948	0.85	2023	3,159	33,979	1.05
Year	Scope 1 (metric tons CO2e)	Scope 2 (metric tons CO2e)	Emission per unit (metric tons/NT\$ million)										
2022	3,847	36,948	0.85										
2023	3,159	33,979	1.05										
	<div>2. Greenhouse gas targets, strategy and concrete action plan</div> <div>1.Greenhouse gas reduction base year and its data : 2020; Scope1:2,705 tons ; Scope2:35,612 tons</div> <div>2.Greenhouse gas reduction target : Using 2020 as our baseline year, our short-term goal is to reduce greenhouse gas emissions by 15% by 2025, our mid-term goal is to achieve a 50% reduction in greenhouse gas emissions by 2030, and our long-term goal by 2050 is to achieve net-zero emissions.</div>												

Item	Implementation status
	<p>3. Greenhouse gas reduction strategy : MiTAC Group is concerned about global climate change and is dedicated to protecting the earth's resources and fulfilling its corporate citizen responsibilities. In addition to our continuous efforts to promote greenhouse gas emission control, we are determined to achieve sustainable energy development that considers resource efficiency, energy conservation, and environmental protection to drive the industry toward a low-carbon economy and society. We are committed to promoting the following initiatives:</p> <p>(1.)Developing renewable energy  (2.)Improve energy efficiency  (3.)Strengthening the Group's climate resilience  (4.)Comply with environmental regulations, customer's requests and other related regulations.</p> <p>4. The status of achievement of the greenhouse gas reduction targets. :</p> <p>There were a total of 23 energy saving programs in 2023, helping save 2,730 MWh of energy and reduce 2,000 metric tons of carbon emissions. ( MiTAC_2023 Sustainability Report; 4.4 Actions and Effectiveness of Emissions Reduction). 4 operating locations have installed solar power equipment, the power generated was 4,567MWh. Using 2020 as the baseline year, there was a 3.1% reduction in total greenhouse gas emissions (Category 1+2) in 2023.</p>

(VII)Implementation of ethical corporate management, deviation thereof from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof:

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best -Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>I. With business integrity policy and action plan in place</p> <p>(I) Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the senior management team demonstrated their commitments to implement the policies?</p>	✓		<p>MiTAC has implemented "Integrity Code of Conduct Board of Directors", reported it to the Board and was approved, and published it onto the official website, which the Board of Directors and the management are bound to obey when exercising authority. Training courses and awareness campaigns are organized annually to enhance the ethical values of employees and to prevent dishonest behaviors from all personnel.</p>	<p>Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."</p>

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best -Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Has the Company established an evaluation mechanism for the risk of dishonesty behaviors? Does the Company regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty behaviors, which at least covers Paragraph 2 of Article 7 in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"	✓		MiTAC demands all employees to refrain from accepting improper gifts, so that they do not compromise the Company's interests for personal gains. In addition, all employees have the duty of confidentiality over business secrets of the Company and other relevant parties. For the prevention plan within business activities with a high risk of dishonesty in the business scope, MiTAC has established management measures such as preventing bribery and bribery, prohibiting the provision of illegal political contributions, prohibiting inappropriate charitable donations or sponsorship, and prohibiting inside transactions.	
(III) Does the Company establish procedures, behavioral guidelines, disciplinary actions and complaint systems in action plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?	✓		"Business Integrity" has always been the cornerstone of the MiTAC's sustainable operation. MiTAC adheres to operational transparency, implements internal management, and sets various anti-corruption management policies as the basis for business operations. MiTAC has the "Procedures for Ethical Management and Guidelines for Conduct", "Employee Code of Conduct" and "Anti-corruption Policy" in place to provide whistle-blowing channels, outline operating procedures and behavioral guidelines that employees are bound to obey, and disciplinary actions and grievance systems for violations. Both the code and the policy are rigorously enforced. In the event of law amendments or poor implementation results, such policy will be adjusted timely to suit the present requirements.	
II. Realization of business integrity				
(I) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		All procurement personnel of MiTAC has signed the "Letter of Integrity" and further promoted such self-requests to partner manufacturers. MiTAC signs an "Integrity Commitment Agreement" when dealing with important suppliers, for systematically tracking, identification and implementation of regulations, in aim to become a trustworthy partner of the stakeholders.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
(II) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and report to the Board about any operation policies, and plans and supervision on honesty and integrity and prevention of dishonesty on a	✓		The Human Resource Development Center is responsible for the establishment of business integrity policy and prevention measures, whereas the internal audit function is responsible for supervising execution of such policy and measures. The internal audit function conducts random audits on compliance status within the Company. The report on the	

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best -Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
regular basis (at least once a year)?			implementation of ethical management in 2023 was submitted to the Board on February 23, 2024. The Board of Directors of MiTAC will exercise the due care of a prudent administrator to identify and prevent unethical conduct while constantly reviewing the effectiveness and making continual improvements to ensure sound execution of the ethical management policy.	
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?	✓		MiTAC has made a policy for the prevention of the conflict of interest, and it provides appropriate channels for the directors, supervisors, and managers in voluntary justification of their positions, which may entail potential conflict of interest against the Company.	
(IV) Has the Company established effective accounting and internal control systems for the implementation of policies, prepared audit plans according to the evaluation result of dishonesty risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance?	✓		The Group has developed effective account and internal control systems, including ethical management policies and prevention plans. For procedures at high risk of unethical conduct, the internal audit unit performs audits on the procedures according to the annual audit plan formulated based on the risk assessment results. The implementation of the audit plan and subsequent improvement measures are reported to the Audit Committee and Board of Directors to ensure audit effectiveness. In addition, the Company's departments and subsidiaries must self-check the design and effectiveness of the internal control system through the annual internal control self-evaluation.	
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		In order to implement the concept of business integrity, the Company has, on its internal and external official websites, strengthened the policy that all employees must complete online courses including the "Integrity Code of Conduct", "Employee Code of Conduct", "Anti-corruption Policy", and "Prohibition of Insider Trading". In addition to new employees, all employees are also scheduled to participate in online retraining annually. Through announcements and reminders, the Company ensures that employees understand the Company's emphasis on ethics and implement the spirit of integrity in daily work. In 2023, the Company organized various internal and external education and training courses related to ethical management issues (including compliance with ethical management laws and regulations, education and promotions of company policies, Responsible Business Alliance, audit and accounting system, internal control and internal audit systems, prohibition of insider trading, and other related courses ), and a total of 6,716 person/times were trained, with a total of 4,823 person/hours. Among them, the "Integrity	

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best -Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			Management and Ethical Management Policy" training rates are 95.18% in Taiwan, 98.78% in China, and 89.26% in the United States. The overall training rate for this course in 2023 is 97.21%.	
III. Reporting of misconduct				
(I) Does the Company provide a whistleblower and reward system for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconducts?	✓		The Company has an Anti-corruption Policy supported by a whistleblower and reward system. There is a broad range of misconduct reporting channels available to both insiders and outsiders, including the whistleblowing mailbox of the audit. These reporting channels have been announced to the public, while the internal audit function is assigned to handle and investigate reported cases.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
(II) Has the Company developed any standard investigation procedures for reported misconduct, defined follow-up actions to be taken following the completion of the investigation, or had confidentiality systems in place?	✓		The Company has standard investigation procedures in place to investigate reported misconduct. An investigation committee is formed for investigation and discipline according to the procedures. A confidentiality system is also built to ensure the confidentiality of the investigation process and safekeeping of audit-related documents.	
(III) Has the Company provided proper whistleblower protection?	✓		In order to protect the safety of the whistleblowers, the whistleblower or related documents are kept strictly confidential, to prevent the whistleblowers from being retaliated against, and also to establish a competent whistleblower system, so that no whistleblowers shall be treated unfavorably.	
IV. Increasing disclosure of information Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓		The Company has established "Integrity Code of Conduct" and published onto its website and at the "Corporate Governance" section of MOPS. Implementation progress of the Integrity Code of Conduct is disclosed in annual reports.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
V. If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: The Company has implemented Integrity Code of Conduct, which conforms with the rationality and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies."				
VI. Other information relevant to understanding the Company's business integrity (e.g., reviews of business integrity principles): The Board has approved the amendments to the "Integrity Code of Conduct" on Nov. 7, 2019, in compliance to the regulations of the competent authority and the needs of practical operations.				

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

must be disclosed:

For more information on the corporate governance regulations developed by the Company, please visit the “Corporate Governance” section on MiTAC’s website, or visit the “Corporate Governance” section on the MOPS ([mops.twse.com.tw](http://mops.twse.com.tw)).

(IX) Other important information enabling better understanding of the Company’s corporate governance implementation: None.



(X) Implementation of the internal control system:

1. Statement of Declaration of Internal Control:

MiTAC Holdings Corporation  
Statement of Declaration of Internal Control

Date: February 23, 2024

Based on the self-assessment findings, MiTAC Holdings Corporation states the following with regard to its internal control system during 2023:

- I. The Company understands that the establishment, implementation and maintenance of an internal control system are the responsibility of the Board of Directors and managers of the Company. The Company already established such system. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company judges the effectiveness of the design and implementation of internal control based on the criteria for the effectiveness of internal control system provided in “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “Regulations”). The criteria for the effectiveness of internal control adopted by the Regulations divide internal control system into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, 5. Monitoring activities. Each of the elements in turn contains certain audit items, Please refer to the Regulations for aforementioned items.
- IV. The Company has adopted the aforementioned judgment items to evaluate the effectiveness of the design and implementation of internal control system.
- V. Based on the findings of such evaluation, the Company believes that, as of December 31, 2023, an effective internal control system (that includes the supervision and management of the subsidiaries) has been maintained to provide reasonable assurance over the effectiveness and efficiency of the Company’s operations, the reliability, timeliness and transparency of reporting, and compliance with relevant rules and applicable laws and regulations.
- VI. The Statement of Declaration will be the main part of the annual report and prospectus of the Company and publicly disclosed. If the aforementioned disclosed content contains misrepresentation or nondisclosure, the Company is subject to the liability of Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. The Statement of Declaration was unanimously approved by the Board on February 23, 2024, in the presence of 10 directors.

MiTAC Holdings Corporation  
Chairman: Miao, Matthew Feng Chiang  
President: Ho, Jhi-Wu

2. Certified public accountants commissioned to conduct internal audit and the audit

report: None.

(XI) Where the punishments received by the Company and the internal personnel thereof in accordance with laws or imposed by the Company on the internal personnel thereof violating the requirements of the internal control system in the most recent year up to the publication date of this annual report may lead to a material effect on shareholders' equity or stock price, such punishments, material deficiencies and improvements shall be specified: None.

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

### 1. Shareholders' meetings

Date of meeting	Summary of important motions	Resolutions	Status of implementation
2023.05.29	1. Ratification of the 2022 business report and financial statements	Voted and approved as proposed	Act in accordance with the resolution
	2. Ratification of the distribution of earnings in 2022 (Cash dividends shall be distributed as resolved by the Board and the distribution shall be reported to the shareholders' meeting). Shareholders' dividends: A cash dividend of NT\$1.3 per share.	Voted and approved as proposed	The record date was set on April 4, 2023, and the cash dividend was paid on April 27, 2023.
	3. Discussion on partial amendments to the "Rules of Procedure for Shareholders Meeting"	Voted and approved as proposed	Act in accordance with the amended "Rules of Procedure for Shareholders Meeting".

### 2. Board of Director

Date of meeting	Term	Major resolution
2023.01.17	4 <sup>th</sup> Board 5 <sup>th</sup> Meeting	1. Approved to grant additional loans of NT\$0.5 billion to MiTAC Computing Technology Corp. 2. Approved the proposal of remuneration to Directors in 2022 amounting to NT\$6.5 million.
2023.02.24	4 <sup>th</sup> Board 6 <sup>th</sup> Meeting	1. Resolved to pass the motion of remuneration to employees in 2022 amounting to NT\$10,025 thousand. 2. Approved the financial statements of 2022. 3. Approved the proposal for distribution of earnings 2022. Shareholder Bonus: Cash dividend at NT\$1.3 per share. 4. Approved the partial amendments to the "Corporate Governance Best Practice Principles" and "Sustainable Development Best Practice Principles". 5. Approved the partial amendments to the "Rules of Procedure for Shareholders' Meeting" 6. Approved to date of the Company's 2023 shareholders meeting, the convening reason, shareholder proposals and the period for nominating director candidat
2023.05.09	4 <sup>th</sup> Board 7 <sup>th</sup> Meeting	Approved the financial report of Q1, 2023.
2023.08.11	4 <sup>th</sup> Board 8 <sup>th</sup> Meeting	1. Approved the financial report of Q2, 2023. 2. Approved subsidiary MiTAC International Corp. to purchase property and setup an factory in Vietnam through establishing a subsidiary. 3. Approved subsidiary MiTAC International Corp. to establish a Vietnam subsidiary.

Date of meeting	Term	Major resolution
		4. Approved a loan of NT\$1.2 billion to the subsidiary - MiTAC International Corp.
2023.11.10	4th Board 9th Meeting	Approved the financial report of Q3, 2023.
2024.01.23	4th Board 10th Meeting	1. Approved subsidiary MitTAC International Corp.' subsidiary MiTAC Technology (Vietnam)Company Limited for constructing factory. 2. Approved the proposal of remuneration to Directors in 2023 amounting to NT\$6.5 million.
2024.02.23	4th Board 11th Meeting	1. Approved the proposal of remuneration to employees in 2023 amounting to NT\$2,213thousand. 2. Approved the correction for the company's consolidated financial report for Q1 to Q3 of the year 2023. 3. Approved the financial statements of 2023. 4. Approved the proposal for distribution of earnings 2023. Shareholder Bonus: Cash dividend at NT\$1.3 per share. 5. Approved the partial amendments to "Articles of Incorporation" 6. Approved the partial amendments to the Company's "Rules of Procedure for Shareholders' Meeting". 7. Approved to cooperate with the future stock listing plan of the subsidiary MiTAC Digital Technology Corp. (hereinafter referred to as "MDT"), the Company may carry out the stock release operation and/or waiver of the subscription rights for cash capital increase of MDT. 8. Approved to date of the Company's 2024 shareholders meeting, the convening reason, the convening type, and period for shareholders' proposals.

(XIII) Directors' dissenting opinions on major resolutions made by the Board of Directors in the most recent year up to the publication date of this annual report, which have been on record or stated in written statements:None.

(XIV) Summery of resignation or dismissal of the Company's Chairman, presidents, accounting officer, financial officer, internal audit officer, chief corporate governance officer and R&D officerin the most recentyear up to the publication date of this annual report:None.

## V. Information on fees for certified public accountants

Unit: In thousands of New Taiwan Dollars

Name of CPA Firm	Name of CPA	CPA Auditing Period	Audit Fee	Non-Audit Fee	Total	Notes
PwC Taiwan	Liu, Chien-Yu	January 1, 2023 - December 31, 2023	1,240	855	2,095	Non-audit fees refer to the fees for tax compliance audits and other financial consulting services.
	Li, Tien-Yi					

(I) When the accounting firm is changed and the amount of fees paid for auditing services during the year in which the change is made is lower than that during the previous year, the amounts before and after the change and the causes of such decrease shall be

disclosed: None.

- (II) When the amount of fees paid for auditing services is 10% or more lower than that during the previous year, the amount by which the fees decreased, the proportion thereof, and the causes of such decrease shall be disclosed: None.

## VI. Information for changing CPA

### (I) Ex-CPA

Date of change	January 17, 2023		
Reason and description for the change	To cope with the internal transfer within the financial statement accounting firm, the Board approved the resolution that starting 2023 Q1, the certified public accountants of PwC Taiwan would be changed from Liu, Chien-Yu / Cheng, Ya-Huei, to Liu, Chien-Yu / Li, Tien-Yi.		
Description is that the appointer or CPA terminates or refuse appointment.	Participants		CPA
	Circumstance		
	Voluntarily terminate appointment		Not applicable
Appointment is no longer accepted (continued)		Not applicable	Not applicable
If issued any audit report with other than an unqualified opinion during the preceding two years, the opinion and the reason:	None		
Any differences in opinions with the issuers	Have		Accounting principle or practice
			Disclosure of financial report
			Audit scope or steps
			Others
	None	✓	
	Description: none		
Other disclosures (Matters that shall be disclosed provided from Item 1-4 to 1-7, paragraph 6, Article 10 of these Guidelines)	None		

### (II) Succeeding CPA

Name of CPA firm	PwC Taiwan
Name of CPA	Liu, Chien-Yu 、Li, Tien-Yi
Date of appointment	January 17, 2023
Inquired with such accountant about the accounting treatment method of a specific transaction or the applicable accounting principle and his/her possible opinion on the financial report before appointment	None

Written opinion of the successor certified public accountant in connection with any discrepancy of opinion between him/her and the former CPA	None
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(III) Reply letter from former CPA on matters provided in item 1 and matter No. 3 in item 2, paragraph 6, Article 10 of these Guidelines: None.

**VII. The Company's Chairman, Presidents or managers responsible for financial or accounting operations who assumed positions in an office of the CPA who certified the financial statements or in any of its affiliates in the most recent year:**None.

**VIII. Any transfer of equity interests and pledge of or change in equity interests of directors, managers, or shareholders with a stake of more than 10 percent in the most recent year up to the publication date of this annual report**

**(I) Transfer of equity by a director, manager or major shareholder**

Title	Name	2023		As of March 30,2024	
		Change in Shareholding	Increase (decrease) on Pledged Shares	Change in Shareholding	Increase (decrease) on Pledged Shares
Chairman	MiTAC Inc. Rep.:Miau, Matthew Feng Chiang	0	0	0	0
Director	MiTAC Inc.				
	Rep:Hsu, Tzu-Hwa				
	Rep:Su, Liang				
Director and President	Ho, Jhi-Wu	(310,000)	0	(110,000)	0
Director	Chiao, Yu-Cheng	0	0	0	0
Director	UPC Technology Corp.	0	0	0	0
	Rep:Way, Yung-Do	0	0	0	0
	Rep:Chang, Kwang-Cheng	0	0	0	0
Independent Director	Lu, Shyude-Ching	0	0	0	0
Independent Director	Ma, Shaw-Hsiang	0	0	0	0
Independent Director	Hao, Ting	0	0	0	0
Vice President and Head of Finance	Huang, Hsiu-Ling	0	0	0	0
Chief Corporate Governance Officer	Hsu, Che-Hsien	(10,000)	0	0	0

Note The counterparts of shareholding transfers and shareholding pledges are not related parties.

(II) Information of equity transfer: Not applicable

(III) Information of equity pledge: Not applicable

**IX. Information on the relationship of Top 10 shareholders by proportion of shareholding, related parties, spouse, or kindred within the 2nd tier.**

March 30, 2024

Name	Shares held in own name		Shares currently held by spouse or dependents		Shares held in the names of others		Disclosure of names and relationships between the top ten shareholders including spouses, relatives within 2nd degree of kinship, or the relationships		Note
	Shares held	Percent age	Shares held	Percent age	Shares held	Shareholding Percentage	Name	Relationship	
Lien Hwa Industrial Holdings Corp. Rep: Miao, Matthew Feng Chiang	105,940,944	8.78%	0	0.00%	0	0.00%	MiTAC Inc.	Same as the Chairman	
							UPC Technology Corp.	Same as the Chairman	
							Miao, Matthew Feng Chiang	The company's chairman	
MiTAC Inc. Rep: Miao, Matthew Feng Chiang	101,431,091	8.41%	0	0.00%	0	0.00%	UPC Technology Corp.	Same as the Chairman	
							Lien Hwa Industrial Holdings Corp.	Same as the Chairman	
							Miao, Matthew Feng Chiang	The company's chairman	
UPC Technology Corp. Rep: Miao, Matthew Feng Chiang	99,802,598	8.27%	0	0.00%	0	0.00%	MiTAC Inc.	Same as the Chairman	
							Lien Hwa Industrial Holdings Corp.	Same as the Chairman	
							Miao, Matthew Feng Chiang	The company's chairman	
Hua Nan Commercial Bank entrusted for custody to Yuanta Taiwan Value High Dividend ETF	77,035,000	6.38%	0	0.00%	0	0.00%	None	None	
Mei An Investment Co., Ltd. Rep: Hsu, Ai-Chen	31,888,145	2.64%	0	0.00%	0	0.00%	Miao, Matthew Feng Chiang	The spouse of the company's chairman	
Taiwan Cooperative Bank Rep: Yen-Mao Lin	24,925,000	2.07%	0	0.00%	0	0.00%	None	None	
Cathy Life Insurance Co., Ltd. Rep: Ming-Ho Hsiung	18,000,000	1.49%	0	0.00%	0	0.00%	None	None	
Yi Feng Investment Co., Ltd. Rep.: Sho-Hua, Sui	15,166,017	1.26%	0	0.00%	0	0.00%	None	None	
Miao, Matthew Feng Chiang	12,174,721	1.01%	0	0.00%	0	0.00%	MiTAC Inc.	Chairman	
							UPC Technology Corp.	Chairman	
							Lien Hwa Industrial Holdings Corp.	Chairman	
							Mei An Investment Co., Ltd.	Chairman's spouse	
Yih Yuan Investment Corp. Rep.:Sun, Song-En	12,160,000	1.01%	0	0.00%	0	0.00%	None	None	



**X. Number of Shares Held by the Company or the Company's Directors and Managers, as Well as the Number of Shares Held by the Company for the Reinvestment Businesses That it Directly or Indirectly Controls, and Combined to Calculate the Comprehensive Shareholding Ratio**

March 30, 2024; unit: share; %

Investee (Note)	Holdings of the Company		Holdings of directors, managers and directly or indirectly controlled business		Total investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
MiTAC International Corp.	4,099,434,336	100.00	-	-	4,099,434,336	100.00
MiTAC Computing Technology Corp.	232,757,102	100.00	-	-	232,757,102	100.00
MiTAC Digital Technology Corp.	96,249,000	90.72	2,125,000	2.00	98,374,000	92.72
Infopower Technologies Ltd.	6,774,199	33.33	-	-	6,774,199	33.33

Note: Investee accounted for under the equity method

## Four.Fund raising

### I. Capital and Shares

#### (I) Sources of capital

##### 1.Outstanding shares

Unit: Share; NT\$

Date	Issuing price	Authorized capital		Paid-in capital		Note		
		Shares held	Amount	Shares held	Amount	Sources of capital	Investment by properties other than cash	Effective date (approval date) of new capital and approval document number
2020.08	10	1,500,000,000	15,000,000,000	1,206,556,789	12,065,567,890	Capitalization of earnings into share capital, NT\$1,292,739,420	-	Aug. 18, 2020 Ching-Shou-Shang-Tzi No. 10901147930

Note: The information represents data on the latest issuance of shares. (There was no issuance of shares in the most recent year up to the publication date of this annual report.)

March 30, 2024/Unit: Share

Types of shares	Authorized capital			Note
	Outstanding	Unissued shares	Total	
Registered common shares	1,206,556,789	293,443,211	1,500,000,000	Listed companies' stocks

2.Information relevant to the aggregate reporting policy: None.

#### (II) The composition of Shareholders

March 30, 2024/Unit: Share

Shareholder Structure Qty	Government institutions	Financial institutions	Other institutions	Foreign institutions and foreign individuals	Natural persons	Treasury Stock	Total
Number of persons	2	18	344	436	141,153	0	141,974
Qty of shareholding	29	70,307,441	499,016,656	128,676,487	508,556,176	0	1,206,556,789
Percentage	0.00%	5.83%	41.36%	10.66%	42.15%	0.00%	100.00%

#### (III) Equity distribution

##### 1.Common share

March 30, 2024

Level of holding	No. of shareholders	Qty of shareholding	Percentage
1 ~ 999	55,426	10,396,511	0.86%
1,000 ~ 5,000	69,039	139,361,762	11.55%
5,001 ~ 10,000	9,405	73,074,052	6.06%
10,001 ~ 15,000	2,828	35,465,274	2.94%
15,001 ~ 20,000	1,686	30,621,020	2.54%
20,001 ~ 30,000	1,367	34,473,542	2.86%
30,001 ~ 40,000	583	20,546,303	1.70%

Level of holding	No. of shareholders	Qty of shareholding	Percentage
40,001 ~ 50,000	424	19,641,333	1.63%
50,001 ~ 100,000	702	49,972,575	4.14%
100,001 ~ 200,000	271	37,818,645	3.13%
200,001 ~ 400,000	119	32,153,523	2.66%
400,001 ~ 600,000	30	14,860,387	1.23%
600,001 ~ 800,000	19	13,216,655	1.10%
800,001 ~ 1,000,000	9	8,030,285	0.67%
1,000,001 and above	66	686,924,922	56.93%
Total	141,974	1,206,556,789	100.00%

2. Preferred stocks: None.

(IV) List of major shareholders

March 30, 2024/Unit: Share

Major shareholder	Shareholding	Qty of shareholding	Shareholding percentage
Lien Hwa Industrial holdings Corp.		105,940,944	8.78%
MiTAC Inc.		101,431,091	8.41%
UPC Technology Corp		99,802,598	8.27%
Hua Nan Commercial Bank entrusted for custody to Yuanta Taiwan Value High Dividend ETF		77,035,000	6.38%
Mei An Investment Co., Ltd.		31,888,145	2.64%
Taiwan Cooperative Bank		24,925,000	2.07%
Cathy Life Insurance Co., Ltd.		18,000,000	1.49%
Yi Feng Investment Co., Ltd.		15,166,017	1.26%
Miau, Matthew Feng Chiang		12,174,721	1.01%
Yih Yuan Investment Corp.		12,160,000	1.01%

(V) Information on market price, net worth, earnings, and dividend per share

Item \ Year		2022		2023		As of March 30, 2024 (Note 8)
		Before adjustment	After adjustment	Before adjustment	After adjustment	
Market price per share (Note 1)	Highest	35.35	33.35	57.40	57.40(Note9)	59.30
	Lowest	26.00	26.00(Note9)	27.20	27.20(Note9)	41.10
	Average	30.19		40.84		49.27
	Average closing price	29.16		35.98		-
Net worth per share (Note 2)	Before distribution	50.65		50.83		-
	After distribution	49.34		49.53		-
EPS	Weighted average shares (thousand shares)	1,197,306		1,201,931		-
	EPS (Note 3)	7.76		1.48		-
Dividend	Cash dividend	1.30		1.30		-

Item \ Year			2022		2023		As of March 30, 2024 (Note 8)
			Before adjustment	After adjustment	Before adjustment	After adjustment	
per share	Stock dividend	From retained earnings	0		0		-
		Shares obtained from capitalization of surplus	0		0		-
	Accumulated unpaid dividend (Note 4)		0		0		-
Analysis of ROI	Price/Earnings ratio (Note 5)		3.76		24.31		-
	Price/Dividend ratio (Note 6)		22.43		27.68		-
	Cash dividend yield (Note 7)		4.46%		3.61%		-

Note 1: List out the high and low market price of common shares in each year and the average market price of these years by trading value and trading volume.

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

Note 3: In case of adjustment of price due to the release of stock dividend, show the EPS before and after dilution.

Note 4: If the conditions for the issuance of equity securities require that the dividend not being distributed in current period could be carried forward to the year in which The Company has profit, disclose the accumulated and retained dividend in current period.

Note 5: Price/earnings ratio = Yearly closing price per share/Earnings per share.

Note 6: Price/Dividend ratio = Yearly average closing price /Cash dividend per share.

Note 7: Cash dividend yield rate = Cash dividend per share/ Yearly average closing price.

Note 8: Net worth per share and earnings per share should be based on auditor-reviewed data as at the latest quarter before the publication date of this annual report. For all other fields, calculations should be based on data as at the end of their respective years.

Note 9: The highest and lowest market prices per share were quoted after the ex-right/ex-dividend date, and thus adjustment is not required.

## (VI) Dividend policy and its implementation

### 1. Dividend policy stipulated in Articles of Incorporation:

When allocating the earnings, the Company shall first estimate and reserve the taxes to be paid, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings, and allocate or reverse special reserve pursuant to relevant laws and regulations. If there is a surplus, the balance and the accumulated undistributed surplus will be determined by the Board for distribution. In circumstances of distributing in forms of issuance of new shares, such matter shall be first submitted to the Shareholders' Meeting for resolution before distribution. In circumstances of distributing in form of cash, pursuant to Paragraph 5, Article 240 of the Company Act, the distribution shall be determined by a majority of the Directors at a meeting attended by two-thirds or more of the total number of Directors, and then reported to the Shareholders' Meeting.

The percentage of dividends to be paid in cash may be proposed at the Board of Directors' discretion based on the Company's financial structure, future capital requirements and profitability, subject to a minimum of 10%.

The Company may distribute all or part of the legal reserve and capital reserve stipulated by Article 241 of the Company Act in form of cash and report to the Shareholders' Meeting, after such matter has been determined by a majority of the Directors at a

meeting attended by two-thirds or more of the total number of Directors.

2. The Company will maintain a stable dividend policy and distribute no less than 30% of the current year earnings(excluding one-time valuation gains recognized due to the change of the valuation method for investees)as shareholders' dividends.

3. Dividend distribution proposed at the shareholders' meeting

Under the above-mentioned principles, the Board of Directors prepared the motion for distribution of earnings in 2023 on February 23, 2024. The cash dividend is NT\$1.30 per share and may be distributed upon the Board's resolution pursuant to the Company Act and Company's Articles of Incorporation. The motion will be presented to the annual general meeting on May 28, 2024.

4. Anticipated significant changes in dividend policy: none.

(VII)Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at this shareholders' meeting

The motion for 2023 earnings distribution does not contain this proposal. Therefore, this is not applicable.

(VIII)Remuneration to employees/directors

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in Articles of Incorporation

Annual profits concluded by the Company (i.e. pre-tax profit before distribution of employees'/directors' remuneration) shall be subject to employee remuneration of no less than 0.1% and director remuneration of no more than 1%. Remuneration shall be distributed with the resolution of the Board of Directors. However, profits must first be taken to offset against cumulative losses if any.

Employees' remuneration, as mentioned above, can be paid in shares or cash and to employees of affiliated companies that satisfy certain criteria. This certain criteria may be determined under the Chairman's authority.

2. Basis of calculation for employees' and directors' remuneration and share-based remuneration; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

(1) Basis for the estimation of remuneration to employees and directors in current period: The Company shall appropriate at least 0.1% of the EBT before distribution of remuneration to employees and directors as remuneration to employees in 2023. The remuneration to directors shall be estimated based on the expected amount of remuneration to be paid.

(2) Basis of estimation for share-based employee remuneration: The number of shares to be paid as employee remuneration was determined based on the closing price one day before the board resolution date, after taking into consideration the effects of stock and cash dividends.

(3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: Dispose based on the accounting estimated changes.

3. Board of Directors passed remuneration distribution:

(1) If there is a difference between the amount of remuneration paid to employees and directors distributed in cash or shares and the estimated amount of recognized expenses in the year concerned, the amount, causes and treatment of such difference shall be disclosed: The Board of Directors resolved to appropriate NT\$2,213 thousand as remuneration to employees and NT\$6,500 thousand as remuneration to directors, which was not different from the estimated amount of recognized

expenses in the year concerned.

- (2) The amount of remuneration paid to employees in shares and the percentage thereof to the sum of the net income as stated in the separate or individual financial statements in the current period and the total remuneration to employees: Not applicable, as the Company did not pay remuneration to the employees in shares in 2023.

4. The actual distribution of employee bonuses and remuneration to directors in the previous year (with an indication of the number of shares provided, amount and stock price), any difference from the amount of recognized employee bonuses and remuneration to directors, and the causes and treatment thereof:

	Actual amount paid in cash
Employee bonuses	NT\$10,025 thousand
Director remuneration	NT\$6,500 thousand

Note: There was no difference between the actual amount paid and the amount of recognized employee bonuses and director remuneration.

(IX) Buy-back of the Company's shares by the company: None.

**II Issuance of corporate bonds:** None.

**III. The issuance of preferred shares:** None.

**IV. The issuance of GDR:** None.

**V. Status of employee stock option certificates:** None.

**VI. Status of restricted stock award (RSA):** None.

**VII. M&A or acceptance of new shares from assignment of other companies:** None.

**VIII. Implementation of the fund allocation plan:** None.

## Five.Operation Overview

The Company is a holding company that specializes in investment, with subsidiaries involved primarily in the development, design, manufacturing and distribution of computers and ancillary equipment as well as communication related products. And as such, overview of the Company's operation will be based on the businesses of its subsidiaries.

### I. Business Activities:

#### (I) Scope of business

##### 1.Principal business activities

(1)Cloud computing product business: general-purpose server/workstation product series, including single/dual-socket servers/workstations adopting x86 architecture with Intel and AMD, as well as customized server/workstation complete device platform researched and developed for project customers; storage system; network and server device. To cope with the development trend of artificial intelligence applications, high-performance computing computers (HPC servers) are researched and developed. For the increasing demand for edge computing, industry-standard solutions open EDGE server solutions are proposed. Meanwhile, the storage solutions integrating computing, network and optimization to meet the demands of large-size data centers are provided for the Rack system design and assembly service. In response to the trend of open design architecture, MiTAC Computing Technology Corporation is committed to contributing more Open Computer Project (OCP)-compliant design coverage after becoming a platinum member of Open Computer Project (OCP). Such designs include: Racks, servers, and storage. The 5G's broad bandwidth, low-latency, and massive IoT have revolutionized the information and telecommunication industries. MiTAC Computing Technology Corporation has continued its advantages over servers in the long run and actively developed edge computing servers, in addition to a series of cloud server products for datacenters. Through the 5G wireless connection with the Open RAN architecture, It meets the user's real-time computing needs, and provides a comprehensive solution through the end-to-end products from the MiTAC Computing Technology Corporation.

(2)Automotive electronics,smart IoTand industrial PCproducts: Automotive electronics (e.g. in-car navigation systems, car amplifiers), consumer electronics (e.g. portable navigation devices (PNDs), GPS dash cams), business electronics (e.g. fleet communication and navigation devices, industrial tablets, AIoT 4G LTE connected dash cameras), smart fleet management platforms and cloud-based navigation services. Additionally, for the IIoT (Factory 4.0), Artificial Intelligence of Things (AIoT), and Edge AI, the various x86-based and ARM-based embedded products, such as the POS system, industrial motherboard, and BOX PC, Panel PC, etc., are offered to meet the demand for diverse applications in each field.

##### 2. Business distribution

Unit: In thousands of New Taiwan Dollars

Products \ Year	2023	Ratio (%)
Computer & communication products	35,536,013	100.00

### 3. Major products and new products or technology under planning

#### (1) Cloud computing products

- Data center computing servers
- Data center storage servers
- Standard rack mount servers
- Enterprise-grade high-availability storage systems
- AI and high performance computing (AI&HPC) servers
- Immersion/liquid cooling solution
- Open Computer Project (OCP) and Open Edge servers
- 5G radio access network (RAN) servers and edge computing servers MiTAC Computing Technology Corp. showcased TYAN®'s AI/HPC, Intel-based boards and immersion cooling solution at the Super Computing 2023 (SC's23)
- Whole cabinet system design and assembly services for integration of computing/networking/storage solutions

#### (2) Automotive electronics and AIoT products

- Portable navigation devices (PNDs)
- Carplay Display Audio & Connected Car Tablet & Navigation Box and telematic products
- Car Amplifier
- Bike Computer
- Outdoor Lighting Control
- Consumer electronics, fitness navigation devices for outdoor use
- Enterprise electronics
- Mobile cloud storage
- 4G LTE connected dash cameras
- Fleet management and car A/V systems (VisionMax)
- Product series for smart store applications (Multifunctional POS, self checkout system)
- Interactive Kiosk (Interactive Kiosk/Kiosk Panel PC)
- Smart IoT edge computing gateways
- Industrial Panel PC
- Wide temperature and pressure range 3.5/2.5 inches industrial motherboard
- Industrial/medical use COM Express motherboard module
- Quasi system (Box PC) for railway transport use (IEC50155)
- Industrial Edge AI Embedded System
- The first high-computing dual-graphics card machine learning and inference embedded system on the market (Machine Learning System)
- The first 3-in-1 smart network monitoring host on the market (Smart NVR)
- Industrial IoT gateway (OT Network Appliance)



- Second generation NVIDIA Jetson Orin NX (AI BOX)

## (II) Industry overview:

### 1. Current status of the industry and its development

According to the analysis and research of customer demand in major markets, as the fifth-generation mobile communication technology (5G), artificial intelligence (AI), AI Internet of Things (AIoT), edge computing have been emerging, the demand for AI and high-performance computing servers (AI & HPC Servers), edge servers and 5G access network servers has been rising annually with the growth of the traditional enterprise server market, enterprise storage market and large cloud data center infrastructure. The increasing prevalence of HPC & GPU servers and 5G transmission in AI model training computing also drives the demand for high-performance and low-latency edge computing servers.

With the x86 architecture remaining mainstream, the server market is still dominated by Intel and AMD. Both parties will launch new architecture processors in the second half of 2024. This is expected to drive customers to adopt new technologies such as DDR5 and PCIe 5.0 and promote replacement/upgrades. Artificial intelligence applications that have attracted much attention recently (such as LLM large-scale language model computing and GPT-4 fourth-generation generative pre-training converter), other than developing NVIDIA's new generation Blackwell architecture HGX computing module, the company is also actively involved in the design of AMD MI300X servers to provide customers with diverse products for artificial intelligence training (AI Training) applications. Our company has plans to design the GH200/GB200 high-performance artificial intelligence server, which will be based on the NVIDIA MGX system architecture. This server will be available for testing by our major customers in the second half of 2024. In contrast to the high deployment cost of artificial intelligence training servers, our company's TYAN also offers a range of multi-functional commercial servers that support 2 to 8 standard PCIe GPU cards, making them ideal for artificial intelligence inference (AI Inference) applications and catering to our customers' comprehensive AI application needs.

For data center applications focusing on energy saving and high-density computing, in addition to standard rack-mount units, OCP servers have been gradually deployed for applications beyond hyperscale data centers, becoming a new alternative for data center construction. Our significant customers approve of our OCP server, CP2S11, an OCP Inspired™ product. With the trend of pursuing low PUE (non-IT equipment energy consumption efficiency), traditional cooling methods using only system fans and heat sinks can no longer meet the needs of HPC and AI servers in data centers. Liquid cooling technology has also gradually been accepted by large customers. The company has implemented DLC (Direct Liquid Cooling) technology into Intel server products D50TNP and D50DNP, and will participate in the Intel Open IP Immersion Cooling cooperation project to promote immersion cooling architecture.

Customers of large data centers focus on the Total Cost of Ownership (TCO). Despite of high product customization, the product specifications in the mainstream product still dominates the design. Further to the stability, availability, user friendliness, easy management and easy maintenance of the system, the energy efficiency will be more important. In terms of logistics, customers of large data centers reduce their overall cost

with the business model where the direct order with ODM vendors in customization will help to boost up growth of shipment under the ODM Direct. Medium-to-small sized data center operators utilize standard products for limited customization, while reducing Total Cost of Ownership (TCO) with the whole cabinet system design and assembly services for integration of computing/networking/storage solutions provided by ODM vendors.

On the other hand, as the IoT issues and applications are more popular, the application of industrial tablet PCs has been getting mature. Its application scope covers the retailing, healthcare, governmental agencies, military, logistics, factory automation, warehousing management, energy, etc. and most major markets are located in the Europe, U.S., and Japan. More and more companies are willing to introduce industrial tablet PC solutions.

With regards to POS (point-of-sale) systems, market research companies have estimated the global demand for POS systems to be between 2 million ~ 3 million units per year, translating to a steady growth at 7~10%. Since the traditional POS system, the mobility and self-service trends have taken place with more new opportunities and applications, such as the self-ordering system for restaurants, price comparison system for shopping malls, self-checkout system.

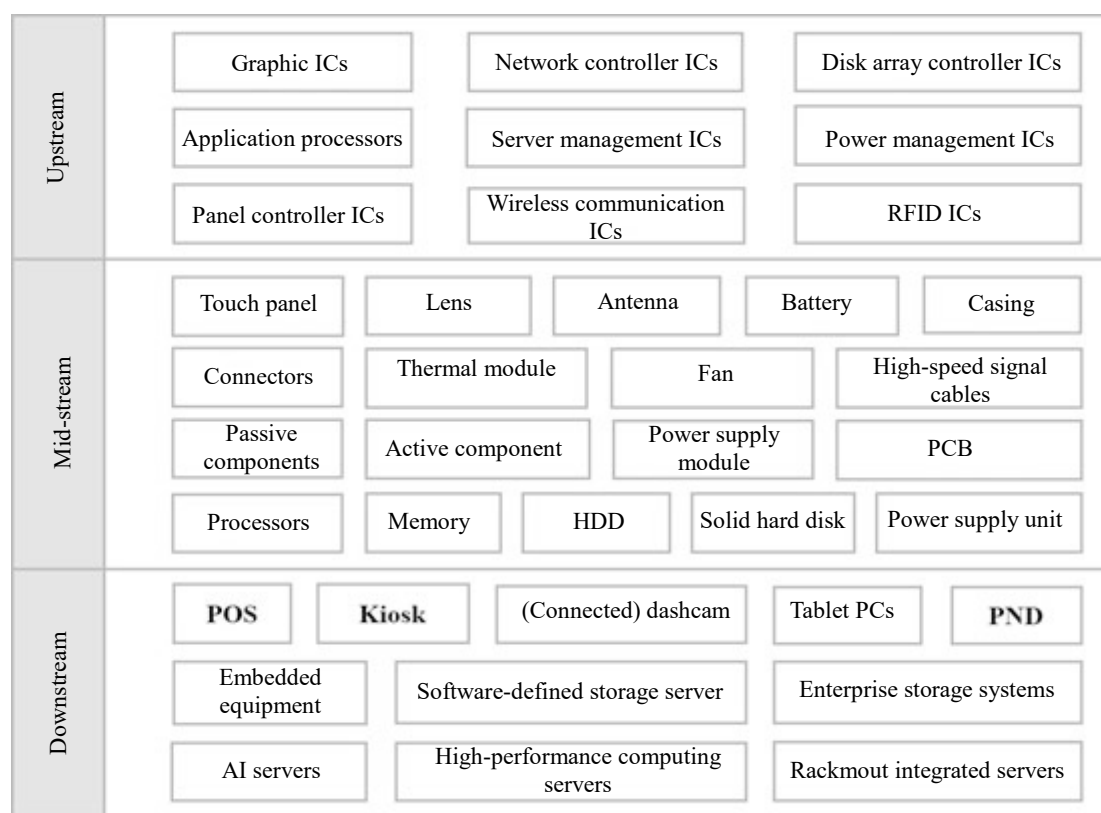
For the industrial PC, with the advent of Industrial 4.0 and its applications, machines and tools at factories are connected and communicate with each other through the IoT architecture. Big data and cloud computing are utilized to provide feedback for better on-site production efficiency. Industrial PCs with edge computing capability are used to provide more timely online AI recognition and determination. As a result, factories or vertical industries with various embedding applications have started upgrading their computing infrastructure, in the hope that their investment will drive IoT and AI intelligent production and services. They are also engaged in a wide range of cross-sector collaboration projects to seek more opportunities for software/hardware integration applications and accelerate the deployment of IoT and edge AI applications while improving customer stickiness.

The overall global demands for industrial PCs, therefore, have grown at a rate of 10% each year. Edge Computing and AI have matured, which will drive the overall market demand.

The automotive electronics and AIoT product planning, although global sales of portable satellite navigation products have fallen over the years, related applications of satellite navigation has continued to be transferred to products such as embedded in-car navigation equipment and GPS tracker for bicycles. At the same time, new products with the same satellite tracking technologies, such as GPS sports watch, have been also developed for IoT positioning or self-driving car. These products, once integrated with the Company's existing cloud computing technology and hardware/software services, will become total solutions for customers; in the IoT segment, the Company will integrate products with GPS technology and work with customers to foray into this new industry.

## 2. Linkage of industry upstream, midstream and downstream

The industry in which the Group operates is considered downstream. The upstream segment comprises IC and chip manufacturing; the midstream segment is involved in component manufacturing; and the downstream segment is about end products such as servers and consumer products.



### 3. Development trends and degree of competition for our products

#### (1) Cloud computing products:

Standard rack mount servers remain mainstream. Equipped with the Intel/AMD x86 platform, the servers with hardware specifications and corresponding software (including operating systems, virtualization software and various applications) can meet the demand of multiple markets (e.g. small and medium enterprises, large multinational enterprises, and large cloud data center providers). As the technology has been relatively mature and there are a large number of ODM firms, differentiation strategy emerged as the vital issue for all R&D designers. OCP servers focusing on high-density computing and high performance have been widely used in hyperscale data centers. The concept that virtualization software is run on general-purpose servers for open platform has been adopted gradually in the cloud, central offices, and access. In response to this trend, MiTAC has implemented the “Alliance” and “High Fence” strategies: For the “Alliance” strategy, we have joined the OCP and O-RAN Alliance to keep pace with the latest industry trends and seek for partnerships. We keep driving the demands for the open platform through partnerships in the industry. For the “High Fence” strategy, in addition to getting a head start, we have researched and developed the new generation servers in the industry and introduce unique value-added functions, such as: flexible scalability and cybersecurity to stand out among open architecture and stay competitive.

As the software technology specifications advance, data storage has not relied o the traditional RAID adapters to provide data redundancy. The Software-Defined methodology has been utilized to provide low-cost, high-availability, high-efficient and easy-to-scale storage architecture. The demands for storage servers has begun emerging. After installing the Distributed File System on their available servers, customers can quickly re-purpose them as storage servers for storage of big data. Traditional enterprise storage devices focus on the high availability of data and

devices, and most of them feature dual SAS controllers combined with dual-port SAS HDDs to provide stable data access for enterprise customers. As the amount of data has been increasing enormously and the storage media technology evolves, the types of enterprise storage equipment has changed from SAS storage to NVMe featuring PCI Express, which not only reduces the overhead for protocol conversion, but also improves the throughput and read/write performance of the overall data.

Unlike cloud servers, the hardware of edge computing servers must be designed to suit different uses and the software is designed to meet the requirements for safety, remote monitoring and virtualization software. MiTAC Computing Technology Corp.'s leading 5G and edge computing products include single and dual-core edge computing servers. The servers features faster edge computing and local data storage, and thus the delay caused by data transmission from or to the cloud can be significantly reduced. With the multi-node and multi-functional open architecture edge computing servers, RAN (Radio Access Network) and open-core virtualization software can be deployed with the help of the multiple nodes for end-to-end 4G LTE or 5G NR network connection.

Open RAN has become another option for telecoms in addition to traditional RAN, and it is also a network architecture for 5 G networks. MiTAC Computing Technology Corp. also creates software-hardware integrated Open RAN servers for telecommunications use that pass the Open RAN Alliance's test. The servers can not only be used as DUs or CUs, but also provide a network router function for base stations through virtualization software. Manual maintenance and management needed for traditional equipment are no longer required with AI, enhanced designs and smart network functions.

To achieve product marketing and business sales plans, we also actively participate in international exhibitions such as:

- MiTAC Computing Corp.'s Tyan attended CloudFest 2023, held on March 21-23, 2023, showcased its latest cloud server platforms.
- MiTAC Computing Technology Corp. showcased its latest Tyan, OCP server and 5G O-RAN CU/DU servers at Computex 2023 Taipei, Taiwan, in June 2023.
- MiTAC Computing Technology Corp. unveiled its latest edge servers as part of its OCP solutions and JBOD storage at the 2023 OCP Global Summit, which took place in San Jose, CA, USA, in October 2023.
- MiTAC Computing Technology Corp. showcased a cooling solution that delivers significant PUE (Power Usage Effectiveness) enhancement and its latest Tyan server platforms powered by Intel® Xeon® Scalable Processors targeting HPC, AI, and Cloud Computing applications at Supercomputing 2023 Denver, Colorado, in November 2023.

## (2) Automotive electronics, AIoT and Industrial PC products:

For automotive electronics and AIoT products, we focus on the three areas: automotive electronics, smart connected devices, and professional tablet PCs. Our leading automotive electronics include dash cameras, advanced driver assistance systems, navigation software and hardware solutions, outdoor navigation devices,

etc. For the dashcam, not only its video resolution and night vision sensing do constantly evolve, but also it is used with the advanced driver assistance system (such as the forward collision, lane departure, driver fatigue detection, pedestrian impact, go alert), GPS speed camera alert, blindspot detection, anti-thief features to improve the driver safety; in addition, its Wi-Fi features enable quick video transmission to the cloud for storage to provide real-time message and remote control. The navigation hardware and software solution is integrated with GPS, Wi-Fi, and Bluetooth features and can be tailored for certain vehicles to implement route planning and fleet management to effectively improve driving safety and working efficiency. We have launched the product with cycling navigation for outdoor leisure lovers. It is anti-shock and waterproof, and suitable for outdoor environment. It also features GPS, Wi-Fi, and Bluetooth and allows you to plan your route, share it with your friends, and upload it to the cloud platform.

For the field of smart connected devices, we focus on the VoT, implementing cloud file storage, remote system control, driving behavior analysis (speeding, braking, and accelerating), which has been extended to the smart lighting system, or even system installations for smart cities.

The professional tablet PCs and device management platform has been tailored for the environment where special industries operate. The device is rugged, durable, drop-proof, and water-proof. When combined with the 4G, LTE, Wi-Fi, NFC, and Bluetooth features, it can be used in the fields of logistics, retailing, tourism, healthcare, and industry and takes the place of human with low efficiency to improve working efficiency, reduce costs, and improve service quality.

Because the trend of cloud computing increased the market for Thin Client computers, demand grew as a result. In the past, only remote access was possible, the computers have grown to support area browser and have evolved to support VOIP and video conferencing. Computers have evolved from small screens to the capacity to support multiple high resolution monitors, and fan-less architecture have become the norm. In terms of product structure, Thin Client PCs have also evolved from traditional micro independent cases to All-In-One, industria and Panel PC/Box PC for retail applications. In terms of platforms, SOC integrated chips have been developed from x86 architecture. The embedded application in industry expanded from the use of particular industry to the domain of different public applications (e.g.: Smart Retailing). As such, product design tended to incline to multiple-function and small in dimension in the design. In addition, the physical appearance also became a concern.

### (III)Technology and R&D overview

#### 1.Committed R&D expense

Unit: In thousands of New Taiwan Dollars

Item \ Year	2023
Research and development expense	2,502,831

#### 2.Successfully developed technology or product in the latest year or up to the publication date of the annual report

As a response to the development trends of global wireless communications, mobile communications, and cloud computing, MiTAC's main R&D strategy is controlling the

development schedule of new technology and products, and launching new technology products whenever possible with the R&D talent pool in Taiwan, China, and the US. We follow the product specification set by technology leaders in mainstream markets and create our own technology through R&D. We can also roll out products that meet market demand to control business opportunities. Our competitiveness rested with the diversity of products, the complete series, a complete vertical supply system, and globalized production sites.

- (1)The number of patents obtained in the most recent year up to the publication date of this annual report is as follows:

Taiwan	Mainland China	Europe, U.S. and Japan
315	400	266





- (2)Product development and brand strength:

- A. TYAN participated in numerous exhibitions in 2023 and launched many server platforms supporting AMD fourth-generation EPYC processors and Intel Xeon scalable series processors. The Company provides flexible system options and high-performance computing server system for AI, in-depth learning, high-performance computing, high-density storage, and cloud computing. TYAN also worked in cooperation with industrial system integration firms to provide server motherboards for embedded applications at high temperature to satisfy the needs for high-performance computing and high reliability under special environment.
- B.Showcased TYAN®'s AI/HPC, Intel-based boards and immersion cooling solution at the Super Computing 2023 (SC's23) to boost the growth momentum of the AI & HPC market.
- C. At the 2023 OCP Global Summit, held in Europe and Asia, MiTAC Computing Technology Corp. unveiled its latest edge servers as part of its OCP solutions, supporting the AMD EPYC 9004 processor, Gen. 4 Intel Xeon, and JBOD storage
- D. MiTAC Computing Technology Corp. showcased the first and second-generation Open RAN servers at mobile communications conferences such as Big5G in the United States, IMC in India, and Vietnam in 2023.
- E. Magellan fleet management system provides professional fleet management with effective functions, from route planning, monitoring drivers' execution status and complying with (US) government's ELD mandate regulations, providing fleet management navigation, managing Hours of Service (HOS) and Return to Route software, Magellan's new product portfolio offers a set of scalable essential services that best meet the business needs of growing fleets and urban transportation.
- F. ORV (Off-road Recreation Vehicle) SmartECO System : This system allows users to receive LBS (location-based service) data and enables access to personalized navigation data stored on the cloud, which can be utilized in planning recreational routes. It can be integrated with the functionalities of smartphones, PCs, and navigation devices through a cloud system
- G. Connected car tablets: The tablets are designed exclusively for enterprise customers with vehicle management needs and equipped with built-in

3G/LTE/BT/WiFi connectivity in order to transmit vehicle data to the cloud in a real-time manner and to achieve communication and interaction between the dispatch center and the driver. They have been tested under more rigorous conditions.

- H. COM Express motherboard modules for industrial/medical use: The architecture with the separate motherboard module and serial interface module is suitable for small quantity and large variety of products with flexible design. (high-margin market with high technical barriers)
- I. BoxBC for railway transport (IEC50155): BoxBC is a quasi system compliant with the IEC50155 international railway standard and can ensure the stable running of computer systems during railway transport under changeable and challenging conditions and requirements. (high-margin market with high technical barriers)
- J. High scalable Kiosk Panel computer: In response to the rapid growth of automated equipment for the retailing industry, the Company will launch touch panel models of different sizes. The design of this series is a breakthrough from the traditional design frame with a thin frame for easy fitting into a variety of peripheral devices (e.g.: MSR, Smart Card Reader, Camera, Barcode Reader).
- K. Industrial Edge AI Embedded System: Equipped with our independently researched and developed modular I/O and rugged enclosure, it can work with different internal or external AI computing graphics to meet the requirements of various edge computing fields and computing needs.
- L. Smart NVR: The Company has worked with Intel and launched the first 3-in-1 smart NVR in the market. It integrates NVR (monitoring host), smart image analysis host (AI Box) and PoE Switch, which you need to purchase separately, into a 1U enclosure, for customers to deploy monitoring devices. When combined with AI edge computing applications, it can significantly lower the costs and complexity of the system installation for customers.
- M. MiTAC Digital Technology Corporation/Mio launched the first electronic rearview mirror-type dual lens dashcam MiVue R850D, the first high definition dual-lens MiVue 955WD with a 4K front-facing camera and a 2K rear-facing dashcam, and the first 4G LTE connected dashcam MiSentry 12T to monitor the situation inside or outside the car in real time. For the storage format for dashcam files, it launched the a video format SuperMP4, which allows rapid writing without corruption. In addition to this, this format is also highly compatible with PCs and mobile phones. MiVue T60 not only has a front-facing HDR camera that can suppress overexposure, but also features a built-in HDR that can suppress overexposure caused by rear lamps to provide better videos.

N. MiTAC Digital Technology Corp. won the following awards in 2023:

Product Name	Region	Media	Award	Logo
Video Telematics and Management Solution	Taiwan	TAITRA	Taiwan Excellence Award	 台灣精品 2024 TAIWAN EXCELLENCE
MiVue M820WD	Taiwan	TAITRA	Taiwan Excellence Award	 台灣精品 2024 TAIWAN EXCELLENCE
MiSentry 12T + MioNEXT App	Taiwan	TAITRA	Taiwan Excellence Award	 台灣精品 2024 TAIWAN EXCELLENCE
MiVue R850D	Germany	iF Design	iF Design Award	



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

##### 1. Cloud computing product series

- (1) Short-term business development plan: For the MDSG server product strategy, in addition to maintaining current after-sales service and technical support for existing products, Mitac Computing Corp. actively shares the updated status of the new generation products regularly with customers to continue to promote MDSG products. As for the TYAN server product strategy, we will continue to launch a new generation of AMD EPYC 9000 series (Turin) processors and the latest generation of Intel Xeon scalable series processors (Sierra Forest & Granite Rapids), meeting the demand for mainstream computing (especially AI/HPC applications) and storage servers
- (2) Long-term business development plan: For product strategies, the Company will continue to develop new servers and storage devices to create momentum driving sales growth in the next three years. With regards to business strategies, we will expand our cooperation with leading server customers (including enterprise and cloud server customers) around the world in the shipment of products ranging from modules to full systems, production of low-end and high-end products, and development of single and multiple product lines. In order to maintain stable collaboration over the long term, we have to improve our capacity and speed for product development, control production quality and delivery, integrate global supply chains and maintain a global logistics and service network so as to consolidate the Group's position as a major ODM/OEM for server systems. In summary, MiTAC Computing Technology Corp. offers servers with several specifications for cloud deployment, 5G radio access and edge computing and provides a wide range of end-to-end products for different smart application fields such as smart stores, smart factories, smart cities, etc. Continuous innovations allows the Company to well prepare for red oceans while discovering blue oceans.

##### 2. Automotive electronics, AIoT and industrial PC products

###### (1) Short-term business development plan:

- A. In terms of mobile handheld and vehicle navigation devices, although global sales of portable satellite navigation products have fallen over the years, related applications of satellite navigation has continued to be transferred to products such as embedded in-car navigation equipment and GPS tracker for bicycles. At the same time, new products with the same satellite tracking technologies have been developed as well. In addition, we planned IoV devices, smart image recognition, and self-driving system, combined with our existing HW/SW products, technologies, and services, to provide the total solution for customers. The IoV products incorporate satellite positioning and we work with customers to enter this new industry.
- B. Industrial tablets and portable devices: We will be launching portable devices with equal emphasis on proprietary brand management, ODM and OEM. In Europe, MiTAC's primary focus will be the promotion of proprietary brand; in USA, the Company will focus primarily on OEM whereas in Japan, ODM and OEM will receive equal attention.

###### (2) Long-term business development plan:

- A. Automotive electronics and IoV products: Our mid- and long-term business development strategies focus on expanding our business and exploring emerging markets in Asia-Pacific, China, Russia and the Middle East. We will adapt to the changes and needs of different age groups with diverse products for vehicle driving, image analysis and recognition, and IoV. In addition, through our brands and B2B strategy and experience of Mio, Magellan as well as Navman products, we integrate life, safety, sports and leisure, and navigation service products to allow customers to take advantage of product features and services in real time, whether they are moving, running, or driving. This strategy will guide MiTAC toward the leader of hardware and software integration for IoV and automotive electronics products.
- B. Professional tablets and device management platforms: We will further market our products to Russia, Central Asia, Southern Asia, and South America and will continue the development of automotive tablets and mobile POS applications. In addition, the professional tablet PCs have been tailored for the environment where special industries operate. The device is rugged, durable, drop-proof, and water-proof. When combined with the 4G, LTE, Wi-Fi, NFC, and Bluetooth features, it can be used in the fields of logistics, retailing, tourism, healthcare, and industry and takes the place of human with low efficiency to improve working efficiency, reduce costs, and improve service quality. Thus, more product applications are covered for higher business and sales performance.

## II. Market and an overview of production and sales

### (I) Market analysis

#### 1. Geographic location of the sales of the company's major products

Unit: In thousands of New Taiwan Dollars

Regions	2023
Taiwan	1,253,370
US	14,578,369
Europe	5,661,780
Others	14,042,494
Total	35,536,013

#### 2. Market share

According to the surveys and research findings of DIGITIMES Research, MiTAC was ranked 6th place among Taiwanese ODM service providers in terms of system and main board shipments in 2023. With regards to automotive electronics and AIoT products, MiTAC's auto electronic brand ranks firmly among the top 3 in the world.

#### 3. Future supply and demand in this market and growth outlook

##### (1) Cloud computing product

As the businesses for cloud data centers continue growing, the enterprise data amount has been increased significantly, which in turns, leads to enormous growth of the cloud servers and software-defined storage markets. With the emergency of the new markets of big data analysis usage, AI, IoT and 5G edge computing, the demand for global cloud servers is expected to grow in 2023. However, dual impacts

from the US-China trade war and Russia's invasion of Ukraine have resulted in a slowing demand in the market for a platform using new generation technologies (DDR5・PCI Express 5.0); some customers tend to use the mature products (DDR4・PCI Express 4.0) to reduce additional verification costs. Thus, we will keep an eye on such situation and respond to it actively. In addition, in response to the mobile working/WFH trend in the post-pandemic era and the idea of corporate ESG and sustainable management, the demand for cloud services will increase continuously and cloud service providers will shift to cloud service providers. However, the providers will seek for better server energy efficiency or performance in the face of the increasing energy cost. The TYAN brand launched several x86-based server products featuring the latest 5nm (AMD EPYC)/Intel 7nm (Intel Xeon Scalable) Multi-core; Multi-thread) processors from entry-level cloud computing servers to AI servers with support for high-end graphic processors (GPU) to satisfy the comprehensive applications. The mission of the Group is to cooperate with our customers to provide IT professionals with the latest products. Continued effort will be made in innovation for developing solutions with flexibility, reliability, high performance, high utility and low cost in operation to help the customers installing an ideal IT infrastructure. This is the optimal feedback to the changeable commercial environment and opportunities for the enterprises. The concept that general-purpose servers are used to run visualization software for open architecture has been adopted gradually in the cloud, central office, and access. This trend represents that the server demand will continue to grow in different forms of specifications. We should keep a close eye on the lifecycle of each product and timely launch new products to meet the market demands..

#### (2)Automotive electronics, AIoT and industrial PC products

As cloud computing evolves, more and more smart end-products are needed, which in turn contributes to the rapid development of the smart end-products. Smart phones, tablets or any products with a display screen (e.g. in-car AV systems, watches, glasses) could provide enormous market opportunities. Mobile end-products will become more diverse as the users of cloud-related applications increase, bringing in business opportunities worth 100 million of NT dollars. Based on the SoLoMo concept, MiTAC has developed applications across different platforms and services to satisfy consumers' diverse tastes.

#### 4.Competitive niche, positive and negative factors for the prospects of our development, and our corresponding strategy

To respond to the emergence of cloud applications, MiTAC not only possesses the capability to design and manufacture cloud hardware, but also combines hardware/software development, engineering automation, manufacturing and design, and after-sales services to develop a new global business model that will accomplish higher customer satisfaction and help create competitive advantages. We also actively develop new technologies and explore new markets, such as 5G and AI technologies.

With respect to wireless communication, MiTAC will take the initiative in developing niche products that target consumer needs in the market and improving the capacity in terms of the R&D, innovation and integration of hardware/software, cost control, quality control, yield control, mass production, inventory management, procurement of key components, logistic support, regional distribution, and financial strength.

##### (1)Competitive niche

A.Customer demand and control of the market: We grow with location based service markets. MiTAC jointly explores and invests in markets with regional

software and hardware customers to understand terminal demand. MiTAC is also negotiating cooperation plans with various world-class information and communication firms so that it can fully grasp market trends, seize fluctuations in the market, and explore new products.

- B. Cooperation with world-class software and hardware firms to secure the supply of material: This advantage includes the support of software firms in software development and the source of key components.
- C. Research and development capability: Many of our products lead the market and win international awards, earning “number one” ranks
- D. Introduction of smart manufacturing via digital transformation: The product design, integration, and manufacturing are the core capabilities of the Company. We have worked with our partners to develop the standard exchange protocol for machines to improve its smart manufacturing ability.
- E. Benefiting from MiTAC Computing Corp.'s takeover of Intel DSG (Data Solutions Group) business, the company continues to provide full-range service to customers through partners in regional channels and the group's global logistics system.

## (2)Favorable factors for prospects of development

### A.A supply chain that integrates internet infrastructure

Our sales and distribution model is in line with global e-commerce development and operation. Many of our high-priced products are produced and distributed directly to customers for greater shipment efficiency, lower cost, and higher customer satisfaction.

### B.Global eManufacturing model

After the trial running of the logistics model, the eManufacturing system of MiTAC International Corp. is well-developed. We have formed a global manufacturing model with bases in Taiwan and the United States focusing on R&D, production bases in China engaged in the manufacturing of modules and semi-finished goods, and system assembly centers in the US. Low-end components and systems with long delivery time are manufactured in Taiwan and China; main components with high unit price are procured and assembled in production bases closer to customers. Such global manufacturing model has allowed MiTAC to grow from a regional organization to an international e-manufacturer that is able to engage in R&D, engineering, manufacturing, and distribution at a global level simultaneously.

### C.Intensify the development of products of high added-value

In response to the trend of development in the integration of wireless Internet communication and computer , MIC will continue to form strategic alliance with international leading firms for joint development of market. MiTAC possesses spectacular innovative design, R&D, production, and manufacturing integration capabilities in the GPS market and launched various mobile navigation/communication products ahead of the market. In addition, effort will be made in the development of the MDM (Mobile Device Management) software with a view to providing software integration partners faster and complete full-range service.

### D.Maintaining growth momentum in the market

The data center business is expected to perform significantly in the next two years, driven by the new public and private cloud technology, 5G O-RAN, and Edge computing. The expected recovery in the auto market fuels the growth of connected dashcams and related automotive software services.

#### E. E-supply chain

As dictated by the needs of global production and the segmentation of products for customers in different regions, MiTAC is engaged in the modular design of key components and the integration with the e-commerce capability of upstream companies for timely worldwide delivery of goods in order to lower the operation risk, reduce the inventory, and provide timely delivery service to the customers.

#### (3) Negative factors for the prospects of our development and our corresponding strategies

A. Connected GPS devices and cameras have been widely used in smart cars. The transition from driver assistance to autonomous driving will influence the market share of standard automotive equipment. In response to that, we not only offer more suitable equipment in the after-market to improve vehicle intelligence, but also develop the following products and services with stronger competitive strength:

- (a) The integration with vehicle information applications is improved to enhance vehicle intelligence.
- (b) We focus on R&D and innovation, perfect our R&D results, reduce product development cycle and launch new products continuously to localize, diversify, differentiate and mass produce our products to ensure that we have an edge in terms of products and profit.
- (c) The Company closely works with the existing ODM customers in upstream design, mass production and logistic support to enter the smart car market.
- (d) We leverage our global logistics model for complete material planning, value chain building, and logistic support.

B. The embedded system products confront the problems of small quantity in large variety, extremely high cost of development, and the strict requirements of quality and application environment. Most of the customers are small and medium enterprises in wide dispersion geographically. Marketing of these products is tough and the counter-measures are:

- (a) Modular design shortens the lead-time for development of new products and customized products.
- (b) Continue the development of high-level integrative solution with equal weight in hardware and software research and development.
- (c) Global marketing in a wide array of business mode
- (d) Launch a total solution for enhancing added value. Acquire Domain Knowledge of the industry for continued development of leading brands in technologies.
- (e) Work with strategic partners to maximize the margin benefits and satisfy the most diverse shipping needs.

C. Key components are still controlled by overseas manufacturers. We need further experience in the integration of software and hardware. Our corresponding strategies are as follows:

- (a) Maintaining good supply chain relationship with overseas manufacturers of key components and striving for cultivating talents capable of integrating software and hardware in operating platforms and communication components.
- (b) Diversifying the supply sources of key components: We seek more R&D and design suppliers to ensure sufficient supply and competitive pricing. We also build good relationship with domestic manufacturers producing or planning to produce key components to maximize our options.

(c) Achieve the advantage of support by quantity: Thanks to the product series with high sales and the orders from large OEM/ODM customers, our procurement cost can be reduced substantially.

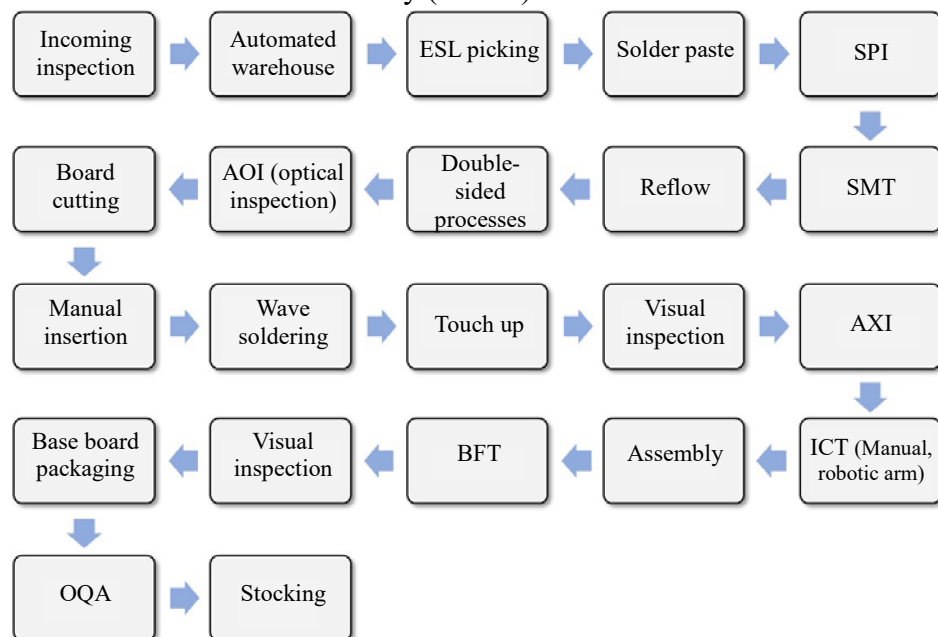
## (II) Important applications and production process for main products

### 1. The functions of major products

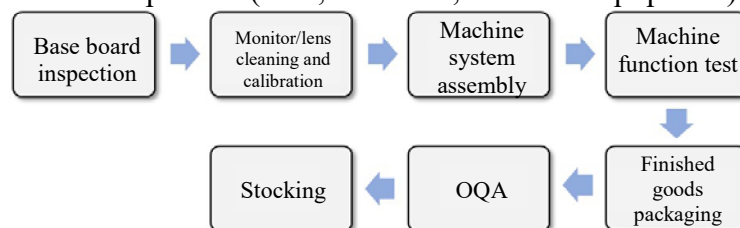
Product categories	Major usage and functions
Servers	Commercial data computing tools
Storage	Commercial data storage tools
Thermal PC	PC and peripherals for IoT applications.
Automotive electronics, AIoT and industrial PC products	Consumer electronics (outdoor, physical fitness, driver navigation), fleet management system, smart cloud IoV, and embedded system, industrial use tablet PC system and vertical integration industrial PC.

### 2. Production process

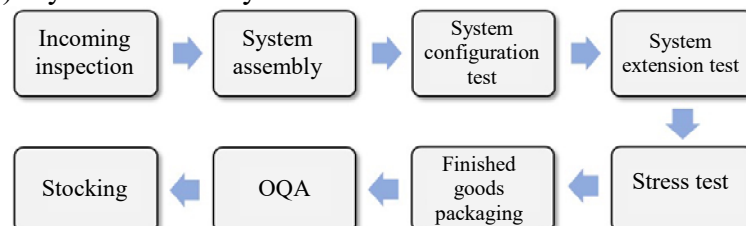
#### (1) Printed Circuit Board Assembly (PCBA)



#### (2) Whole set process (AIO, tablet PC, on-board equipment)



#### (3) System Assembly



## (III) Supply of key materials

### 1. Component name: CPU/ CHIPSET 、HDD 、DRAM 、PCB 、IC 、PSU etc.

2.Availability: Most of the above suppliers are famous international companies that have good track records in the industry and work with us for many years. They can stably supply goods to us and have relatively competitive advantages.

(IV)Major customers and suppliers in the last two years

1.The names of suppliers that accounted for more than 10% of the total purchase in any of the last two years, the amount and proportion of the purchase, and the reason for the changes:

Unit: In thousands of New Taiwan Dollars

Item	2022				Item	2023		
	Name	Amount	Ratio to net annual sales (%)	Relationship with the issuer		Name	Amount	Ratio to net annual sales (%)
1	Supplier C	64,451	0	None	Supplier C	4,838,522	16	None
2	Others	41,310,655	100		Others	25,892,362	84	
	Net Purchases	41,375,106	100		Net Purchases	30,730,884	100	

Note: The changes are the responses to the annual production and marketing policies, raw material demand, manufacturer supply prices, delivery conditions and quality.

2.The name of the customer that accounted for more than 10% of the total sale in any of the last two years, and the proportion of the sale amount, the reason for the changes:

Unit: In thousands of New Taiwan Dollars

Item	2022				Item	2023		
	Name	Amount	Ratio to net annual sales (%)	Relationship with the issuer		Name	Amount	Ratio to net annual sales (%)
1	Customer A	13,297,967	28	None	Customer A	12,339,857	35	None
2	Customer D	5,718,510	12	None	Customer D	3,776,908	11	None
3	CustomerC	5,202,311	11	None	Customer C	3,135,166	9	None
4	Others	23,614,169	49		Others	16,284,082	45	
	Net sales	47,832,957	100		Net sales	35,536,013	100	

Note: The changes are the responses to market trend, product needs, prospect of the industry, R&D technology, sale profit, and the contracts with customers.

(V) Production volume and value in the latest two years

In thousands of New Taiwan Dollars/ unit

Production volume & value Main items	Year	2022			2023		
		Capacity	Volume	Value	Capacity	Volume	Value
Computer & communication products		64,662,828	45,119,170	41,375,106	50,474,932	37,480,469	30,730,884



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

In thousands of New Taiwan Dollars/ unit

Sales volume & value Main items	Year	2022				2023			
		Domestic sales		Export		Domestic sales		Export	
		Capacity	Value	Capacity	Value	Capacity	Value	Capacity	Value
Computer & communication products		551,632	1,999,131	44,417,582	45,833,826	297,784	1,253,370	36,862,886	34,282,643

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

Year		2022	2023	As of Feb. 29, 2024
Number of employees	Direct Labor	2,944	2,681	2,660
	Indirect Labor	3,706	3,501	3,483
	Total	6,650	6,182	6,143
Average age		36.73	36.23	35.11
Average years of service		7.15	7.28	7.08
Education background distribution (%)	Ph.D.	0.18	0.14	0.14
	Master's degree	10.31	10.08	10.12
	College	56.95	63.26	63.13
	Senior High School	21.80	18.14	18.68
	Schools at the Senior Secondary Level and Below	10.76	8.38	7.93

### IV. Environmental Disclosure

- (I) The group did not suffer any loss or penalty due to pollution of environment in the last year up until the publication date of this annual report. Below is a description of relevant practices adopted by MiTAC:

The Group is a professional assembly firm and the operation is mostly assembly works. As such, the problem of air pollution, water pollution and contamination of toxic substances for control is not found. In 1992, MiTAC received Certificate of Excellence during the 1st Environmental Evaluation for Top-500 Businesses organized by Environmental Protection Administration. In 1997, MiTAC attained ISO 14001 certification and continues to devote itself to preventing pollution. In 1999, MiTAC received from the Council of Labor Affairs a 2-year certification for having passed the Safety and Health System Evaluation. MiTAC will continue to enforce its environmental protection and work safety policies, and strive to sustain an operation that is free of pollution and hazard.

For expenditure regarding environmental protection, the Group classifies it into three categories: Direct environmental cost, indirect environmental cost, and others. It is compiled based on the local investment amount or spending of the year. In addition to ensuring the compliance with local regulations, which causes expenses, energy saving programs are conducted for GHG (greenhouse gas) issues in several regions, e.g. Utilizing renewable energy such as solar power, recycling wastes, and saving electricity by means of lighting management, summer air-conditioning management, replacement with water chiller units, etc., to reduce CO<sub>2</sub> emission. The energy efficiency improvement is considered the main expenditure item of the direct environmental cost. The electricity usage at factories and offices accounts for the largest portion of the energy consumption. Therefore, environmental monitoring systems will be introduced to our business bases to monitor electricity and water consumption and a large amount of smart meters will also be mounted. We will continue our investment in equipment and systems necessary for carbon reduction, properly control the energy consumption of buildings and processes, and pursue better energy efficiency.

- (II) Environmental protection expenditure

1. Environment protection expenditure refers to all expenses related to environmental protection activities. It represents how dedicated a company is to the environment, and serves as a key indicator to the quality of environmental management. However, the definition and scope of environmental expenditure still differ from country to country.

2. The statistics on MiTAC Group's 2023 environmental protection expenditure covered are shown below:

- Environmental costs associated with the Company's operations (direct cost) amounted to NT\$ 43,020,715, which included expenses on the prevention of air /effluent /soil / groundwater pollution, efficient use of resources and disposal /treatment /recycling /reuse of commercial wastes.
- Environmental management activity costs (indirect cost) amounted to NT\$ 3,192,479. The administrative costs included personnel expenses on environmental education, system management and validation, environmental monitoring and environmental protection-related activities.
- Other environmental costs totaled NT\$ 36,053, which included social activity expenses, including sponsoring environmental organizations, promotion of environmental information and so forth, taxes, energy levies and other expenses (i.e., water treatment expenses).
- Losses (including damage compensations) and fines incurred due to pollution of environment in the year of report up until the publication date of this annual report: The Company has not incurred any losses (including damage compensations) or fines due to environmental pollution; hence the sum is zero.

## **V. Employer and employee relationships**

Driven by a humane management approach, MiTAC is dedicated to creating a work environment that facilitates two-way communication between line managers, their subordinates and their peers. The Company has also taken initiative in creating communication channels and gathering employees' thoughts as a means of ensuring harmonious labor-management relations and achieving win-win between the Company and its employees.

### **(I) Communication and reward**

#### **1. Labor communication**

The Group regularly organizes cross-hierarchical meetings, management meetings and labor-management meetings to build a sound two-way communication mechanism. In addition, an employee suggestion box and an online suggestion box, "Speakout," were created for employees to express their opinions and feedback under confidentiality. MiTAC's employees are able to learn the Company's business performance and latest product information through the official website, monthly publications, and the general assembly for employees. Together, these measures ensure the completeness of internal communication within the Company.

## 2. Employee incentives

MiTAC offers a variety of incentives to commend individual and team performance in all areas of expertise, and thereby encourage employees to seek continual growth and improvement that would contribute to the Company's competitiveness. Some of the incentives offered to employees include:

- Employee of the year award: Winners of this award are commended personally by the President during the year-end gathering; in addition, the Company prepares commendation letters and offers bonuses and extra leaves as a show of gratitude to employees and their families.
- Department/individual patent award: This award is intended to encourage employees in creating patents that are relevant to their jobs. Incentives are provided from proposal, application to approval stage of a patent application; at the end of each year, departments and individuals are assessed for the patents created, and those who exhibit outstanding performance are commended with department/individual awards.
- Long-term service award: As an appreciation for employees' long-time contribution and commitment to the Company, senior employees with 5, 10, 15, 20, 25, and 30-year service seniority are commended personally by the senior management with the long-term service award and bonus as reward.
- Short- and long-term rewards: Short-term and long-term rewards including performance bonuses, festival bonuses, project bonus, employee stock options and treasury stocks are provided based on the Company's and teams' operating performance and the employees' individual performance.

## (II) Welfare and training

### 1. Welfare

MiTAC views employees as critical capital to the organization. All employees are entitled to labor insurance, national health insurance, group insurance, and travel insurance. Together, these insurance cover employees for death, health, and safety during overseas business trips and thereby provide them with additional security both in work and life. On the other hand, when our employees suffer an accident and cannot support their family, or lose their life and property due to natural disasters, the Company will provide proper assistance for them through "emergency financial aid" to help them and their families restore health and to increase their engagement.

We deeply believe that happy families are the foremost support to our employees. The creation of an environment with proper balance between workload and daily lives will be the only way to allow for physical and psychological health of the employees so that they could indulge in their work, which in turn contribute to the sustainable development of the organization. For this end, the Group support the employees in taking care of their families thereby a hearty "temporary nursery care space" has been arranged in the office area. Employees who have the needs for day care of children may take their children to the workplace for reading and resting at a safe place. In so doing, the employees could take care of their children nearby and could have the peace of mind in concentrating on their works. We do care about our employees who may need raising their children. The Maternity Grant (NT\$ 20,000) will be given for every child and the Employee Welfare Committee also provides the Maternity Cash Gift ( NT\$ 3,000). In 2023, 29 people applied for them. In addition, the Company allocates the budget "Interest-free subsidy for car purchase with advance salary" to help the employees to improve their commute. An advance subsidy totaling nearly NT\$5.40 million was issued to 22 applicants in 2023.

To ensure the physical and psychological health of the employees, the Group works in cooperation with external professional consulting teams to initiate the "Employee Aid

Program”. This is a program participated by psychological counselors, lawyers, nutritionists, and wealth management experts to provide the employees and their families with professional counseling assistance in their daily lives, including counseling services for pressure at workplace, interpersonal relation, family and marriage, gender relations, legal issues, wealth management and medical care. This arrangement could help the employees maintain a healthy work-life balance.

Moreover, the well-organized Employee Welfare Committee also provides a variety of benefits for the employees. The departments nominate members of the committee. The committee holds regular meetings and organizes a diversity of benefits and events for the employees. It has also established different social clubs and a free gym, aerobic dance room, and massage room. Professional massage therapists are engaged to provide massage services to the employees. Subsidies will also be granted for the employees in different occasions such as marriage, funerals, and other festivities to express the concern of the Company as well as bonuses, travel subsidies and the lucky draws at year-end parties. In 2023, for example, the committee released a total of more than NT\$20 million of subsidies.

## 2. Employees' training and continuing education

The Group values the improvement of employees' skills, and has planned training courses for new employees, individual specialists and managers along with the employee careers and company development. When they are combined with the online learning courses, OJT, study group, external professional training, and on-job learning subsidy, we can help employees continue to grow through self-learning and group learning activities, create a suitable environment for employees to develop their skills, and build a communication platform. Therefore, each employee can contribute their knowledge and strength, work with peace of mind, have engagement in the long run, and help MiTAC to be thriving continuously. In 2023, the total employee training hours are 358,303 hours and the average is 62.34 hours/person.

### (III) Retirement policy

The group has established a robust retirement system in accordance with the Labor Standards Act and the Labor Pension Act. All contributions made to the system are being held in a dedicated pension reserve account and managed by a supervisory committee that comprises labor and management representatives. Furthermore, monthly contributions are made to the pension reserve account using actuarial estimates produced by an impartial third party. For employees who are subject to the retirement system under the Labor Pension Act (the new system), monthly contributions are made into employees' pension accounts in the amounts specified by law. So far, the two systems have been running properly as they are expected to.

### (IV) Labor-management communication

The Group has always taken care of the employees and maintained sound labor-management relationship by sharing gains and communicating with the employees. The current collective agreement and labor union consist of 62.60%. Management meetings and labor-management meetings are held on a regular basis to inform the employees of the Company's operating performance, and they may be invited to discuss labor conditions and benefits. In the future, we will adhere to humane management and create diverse communication channels to not only maintain but also improve the existing sound labor-management relationship.

### (V) Work environment and employees' safety

To reinforce the protection measures in the workplace and for the personal safety of employees in order to protect them from injury or death due to occupational accidents and

prevent protests arising therefrom, MiTAC has been certified for ISO 14001 - Environmental Management System and ISO 45001 Occupational Health and Safety Management System and has adopted the RBA Code of Conduct. These certifications are regularly validated by third-party institutions. The Company actively implements the systems throughout the organization.

**(VI) Employee code of conduct**

The Company has created a set of "Integrity Code of Conduct" to establish integrity as part of its corporate culture, and a set of "Employee Code of Conduct" to ensure the consistency of employees' behaviors. There are four main focuses in the Employee Code of Conduct: service principles, confidentiality and prohibition against competing business involvements, network usage and information security, and interaction with suppliers. These codes have been published on the Company's intranet where employees may access at any time, and serve as a regular reminder not to commit violations.

To enforce discipline and fairness within the Company, a set of "Employee Reward and Disciplinary Policy" has been created to serve as guidelines for rewarding excellence and penalizing violators. The Company has a set of "Anti-corruption Policy" policies in place to prevent illegal conduct and organized fraud. An investigation panel has been assembled to investigate suspicious conduct, ensuring the soundness of the Company's operations

**(VII) Losses arising as a result of employment disputes in the most recent year up to the publication date of this annual report (including any violations of the Labor Standards Act found in labor inspection; the disciplinary date, the number of the disciplinary letter, articles violated, provisions violated and disciplinary actions shall be specified), the estimated amount of losses that may incur currently or in the future and responsive actions taken, and the reasons in cases where the losses cannot be reasonably estimated:**

MiTAC did not suffer any losses due to employment disputes in the most recent year up to the publication date of this annual report. The Group currently maintains diverse, open and transparent communication channels between managers and employees and between the employees to avoid any losses due to employment disputes in the future.

## **VI. Cyber security management**

**(I) Information security promotion organization**

In 2019, the Group established an information security promotion committee and formed a department dedicated to cyber security. An information security manager and two information security professionals were appointed to be responsible for promoting cyber security management. In November 2022, an CISO (Chief information security officer, CISO) was appointed to be responsible for organizing the cyber security policies, and coordinating as well as overseeing the matters in relation to cyber security of the group. The President serves as the chair of the Information Security Committee, the Vice President of the Digital Development Center of MiTAC International Corp. acts as the deputy chair and the CISO acts as the executive secretary.

The Advisory committee members includes, the legal, HR, finance, ESG, R&D, IR, Stock, Audit and other top managements, in ordering

The Cyber Security Department reports on the implementation of cyber security measures to the management or the Board of Directors on a regular basis to ensure the availability and effectiveness of the operation. The Audit Committee conducts the cyber security review on the Information Center every year, while the Cyber Security Department also develops improvement measures based on the findings of the audits of information

services, information infrastructure, application system development, production environment, cloud services, IoT applications, etc. and follow up these measures.

## (II) Cyber security policies

To protect our and customers' business information, and ensure thorough information security governance, the Company adopted the ISO27001:2019 international information security management system in 2019 and acquired the certification at the end of the year for the purpose of protecting the information assets of the customers, the Company or individuals against internal or external deliberate or accidental damage and fulfilling the responsibility to secure and manage the data handled, stored or transmitted. The Company passes an audit of a third-party validation company on a yearly basis, indicating that the information security management system has been effective. The latest version of the certificate remains valid between January 14, 2023 and October 31, 2025.

We have developed information security policies and regulations and overseen the availability and effectiveness of the implementation of information security objectives. Our cyber security procedures cover our core businesses and their significance, information asset inventory and risk assessment, application system development and maintenance security, personal data protection, policy, cyber security protection and control measures, management measures for outsourced information and communication systems or services, cyber security incident reporting and response, and continual improvement and performance management mechanisms for cyber security. The relevant information security policies, management procedures and guidelines are reviewed and revised on a yearly basis. As we uphold the philosophy of realizing information security and sustainable management for all of our businesses, we are dedicated to ensuring the management of personnel, management procedures and information technologies and making all departments comprehend the information security policies and follow the relevant control procedures to improve the confidentiality, integrity and availability of all the operations of each information service system.

## (III) Cyber security awareness raising and training

- All new employees must undergo obligatory information security awareness training with themes covering new forms of threats and attacks, cyber security concept and protection, the Company's information security policies and regulations, recognition of phishing emails, emergency response and reporting, and rules regarding rewards and punishments.
- The cyber security seminar is held for senior managers on a yearly basis.
- All personnel using the information systems must participate in information security courses every year.
- Managers and personnel responsible for information security shall take part in professional information security training annually.
- Several phishing email drills (social engineering drills) are conducted per year to test the employees's vigilance against information security threats. Employees who didn't pass the will need to take email security training, complete the (Root Cause and Correction Action) report, and submit it to its center head.
- In 2023, courses such as "Secure Software Development Lifecycle SSDLC", "API Development Security," and "Mobile App Security Development" were included in the company's e-learning platform for employees.
- In 2023, "Secure Software Development Lifecycle SSDLC" was included in the compulsory courses for software development employees (including information center system developers, R&D unit software developers, marketing and customer service system developers, etc.), including new and existing employees.

- In 2023, a contest on the importance of information security was held where colleagues showed their creativity by producing four-frame comics,



#### (IV) Information and communication system inventory and risk assessment

The Company inventories the information assets, checks the information and communication systems, and updates the information asset list to assess the value of the assets on an annual basis. In addition to the annual risk assessment, we identify and review regularly the potential information risks to our core businesses and information assets that should be protected, analyze the impact in case of loss of confidentiality, integrity and availability and perform corresponding control measures with respect to cyber security management and technology. The probability and possible impact of business interruptions are also assessed to set the clear recovery time objective (RTO) and recovery point objective (RPO) for the core businesses with complete backup mechanisms and plans in place.

#### (V) Cybersecurity protection and control measures

With the aim of constantly reinforcing the cyber security protection and management mechanism, the Company not only abides by the control requirements under the ISO27001:2013 standard, but also uses the “Cyber Security Management Act,” “Cyber Security Control Guidelines for TWSE/GTSM Listed Companies,” NIST SP 800-53 and other domestic or foreign regulations or standards as reference for analyzing the needs for information security protection based on the Cyber Defense Matrix and revising our 3-year cyber security plan every six months to optimize the cyber security budgets, control procedures, and protection measures.

For the repair and prevention of system vulnerabilities, all systems and equipment shall be tested for information security before going live to ensure that they meet the basic information security protection requirements. Regular vulnerability assessments and irregular penetration tests are conducted to test all the systems for safety. The Company also pays attention to information related to information security at any time. In case of newly discovered safety vulnerabilities, an investigation is opened immediately and repair or improvement measures are developed accordingly. In response to new forms of viruses, malware and other threats such as ransomware and mining software, we have multiple information security protection mechanisms in place (e.g. next-generation firewalls, intrusion prevention systems, web application firewalls, APT protection, MDR, etc.) along with information security procedures in order to take responsive actions timely. Cyber risk analysis indicators are collected externally through security rating services to facilitate the monitoring and mitigation of information security risks.





#### (VI) Cyber security incident response/reporting and information assessment

In line with the Group's business continuity management framework, information security incident response, handling and reporting procedures are established, including the assessment for impacts and damages caused by incidents, internal and external reporting procedures, methods for informing other affected departments, contact persons and methods for reporting of incidents.

For key application systems directly related to business operations, such as production, R&D, and sales systems, the drills of backup and recovery, remote backup and remote recovery are arranged every year to maintain the response capability and operations. Ten disaster recovery drills and reviews were conducted in 2022, with the scope covering the key application systems, Internet services, power supply and air conditioning; the results all met the recovery time objective (RTO) and the recovery point objective (RPO) set. The Company has participated in the cyber security information sharing organization of the Hsinchu Science Park Bureau and the Taiwan Computer Emergency Response Team & Coordination Center (TWCERT/CC), Taiwan Chief Information Security Officer (CISO) Association, and Chief Information Officer Association of the Information Service Industry Association of R.O.C. for regularly receiving cyber security alerts as well as an information security threat and vulnerability information in order to take preventive actions, improve information security protection capabilities and reduce the risk of being hacked.

#### (VII) Supply chain cyber security management

In 2023, MHC completed a cybersecurity survey of its 195 significant suppliers. The response rate of the supplier information security self-assessment questionnaire was 49.7%, accounting for 68.5% of supplier transactions. Adding information security assessments to supplier assessments can help improve supply chain risk management, improve supplier risk visibility, enhance overall operational security, and meet the expectations and requirements of large foreign customers.

(VIII) Losses arising as a result of material cyber security incidents in the most recent year up to the publication date of this annual report, possible impacts thereof and responsive actions thereof, and the reasons in cases where the losses cannot be reasonably estimated:

In the most recent year up to the publication date of this annual report, the Group did not suffer business interruptions, data corruption, data leakage or other material cyber security incidents.

Goal	2021	2022	2023
Serious information security incidents that lead to operational disruption, data corruption, or data breach < 1	0, no serious information security incidents that lead to operational disruption, data corruption, or data breach	0, no serious information security incidents that lead to operational disruption, data corruption, or data breach.	0, no serious information security incidents that lead to operational disruption, data corruption, or data breach

## VII.Important contracts

Contract nature	Participants	Contract start/end date	Main contents	Restrictions
Master Supply Agreement Restatement	Customer A	From July 1, 2014 to June 30, 2017; automatically renewable on a yearly basis.	To outline terms concerning the production, delivery, payment and warranty of computer-related products.	None
Purchasing Agreement	Customer D	From July 1, 2011 to June 30, 2016; renewable with the consensus of all participants.	The clauses of the production and manufacturing, delivery, payment and warranty of computer products as agreed.	None
Business agreements	Customer C	From July 1, 2015 to July 1, 2018; automatically renewable.	To outline terms concerning the production, delivery, payment and warranty of computer-related products.	None

## Six. Financial Position

### I. Condensed balance sheets and comprehensive income statements covering the last 5 years:

#### (I) Condensed Balance Sheet (consolidated)

Unit: In thousands of New Taiwan Dollars

Item \ Year		Financial information covering the last 5 years				
		Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Current assets		23,189,327	21,981,509	27,591,458	26,965,716	31,539,479
Property, Plant and Equipment		7,810,995	7,753,087	7,785,224	7,768,091	7,209,141
Intangible assets		89,448	75,904	66,200	113,827	103,193
Other assets		24,320,612	27,361,235	40,905,920	50,732,691	49,900,512
Total assets		55,410,382	57,171,735	76,348,802	85,580,325	88,752,325
Current liabilities	Before dividend	14,102,831	12,521,697	15,673,947	15,699,754	18,343,489
	After dividend	15,180,114	13,728,254	18,087,061	17,268,278	19,912,013
Non-Current liabilities		1,752,805	1,888,543	8,068,490	9,187,840	8,981,005
Total liabilities	Before dividend	15,855,636	14,410,240	23,742,437	24,887,594	27,324,494
	After dividend	16,932,919	15,616,797	26,155,551	26,456,118	28,893,018
Attributable to the shareholder's equity of the parent company		39,489,824	42,712,994	52,558,311	60,641,613	61,324,949
Share capital		10,772,829	12,065,568	12,065,568	12,065,568	12,065,568
Additional paid-in capital		23,400,002	23,582,411	22,590,282	22,610,906	22,789,603
Retained earnings	Before dividend	4,998,381	5,561,608	16,293,899	23,373,318	23,158,930
	After dividend	2,628,359	4,355,051	13,880,785	21,804,794	21,590,406
Other equity		671,699	1,743,283	1,848,438	2,754,695	3,310,848
Treasury Stock		(353,087)	(239,876)	(239,876)	(162,874)	-
Non-Controlling Interest		64,922	48,501	48,054	51,118	102,882
Total equity	Before dividend	39,554,746	42,761,495	52,606,365	60,692,731	61,427,831
	After dividend	38,477,463	41,554,938	50,193,251	59,124,207	59,859,307

Note: The Board of Directors resolved to distribute NT\$1,568,524 of cash dividends from the earnings in 2023.

## (II) Condensed Balance Sheet (individual)

Unit: In thousands of New Taiwan Dollars

Year Item		Financial information covering the last 5 years				
		Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Current assets		246,615	1,671,206	3,828,155	2,577,848	2,991,636
Property, Plant and Equipment		3,184	2,388	1,592	796	0
Intangible assets		0	0	0	0	0
Other assets		40,470,219	44,612,687	54,852,074	79,240,474	80,722,747
Total assets		40,720,018	46,286,281	58,681,821	81,819,118	83,714,383
Current liabilities	Before dividend	1,230,194	3,573,287	6,123,510	7,056,950	1,758,173
	After dividend	2,307,477	4,779,844	8,536,624	8,625,474	3,326,697
Non-Current liabilities		0	0	0	14,120,555	20,631,261
Total liabilities	Before dividend	1,230,194	3,573,287	6,123,510	21,177,505	22,389,434
	After dividend	2,307,477	4,779,844	8,536,624	22,746,029	23,957,958
Share capital		10,772,829	12,065,568	12,065,568	12,065,568	12,065,568
Additional paid-in capital		23,400,002	23,582,411	22,590,282	22,610,906	22,789,603
Retained earnings	Before dividend	4,998,381	5,561,608	16,293,899	23,373,318	23,158,930
	After dividend	2,628,359	4,355,051	13,880,785	21,804,794	21,590,406
Other equity		671,699	1,743,281	1,848,438	2,754,695	3,310,848
Treasury Stock		(353,087)	(239,876)	(239,876)	(162,874)	0
Total equity	Before dividend	39,489,824	42,712,994	52,558,311	60,641,613	61,324,949
	After dividend	38,412,541	41,506,437	50,145,197	59,073,089	59,756,425

Note: The Board of Directors resolved to distribute NT\$1,568,524 of cash dividends from the earnings in 2023.

## (III) Condensed Comprehensive Income Statement (consolidated)

Unit: In thousands of New Taiwan Dollars  
(EPS in NT\$)

Item \ Year	Financial information covering the last 5 years				
	2019	2020	2021	2022	2023
Revenue	35,831,960	41,145,756	42,185,771	47,832,957	35,536,013
Gross profit	5,189,724	4,625,061	4,361,894	3,835,818	4,489,808
Operating income (loss)	500,960	74,383	41,783	(1,188,690)	67,705
Non-Operating Income and Expenses	2,581,948	2,905,693	18,660,839	12,526,806	1,933,555
Pre-Tax Income (loss)	3,082,908	2,980,076	18,702,622	11,338,116	2,001,260
Continuing department net income - current (Loss)	2,773,789	2,850,785	11,961,481	9,296,891	1,787,445
Loss from the discontinued department	0	0	0	0	0
Net Income - current (Loss)	2,773,789	2,850,785	11,961,481	9,296,891	1,787,445
Other current comprehensive income □ (loss) (net after tax)	244,200	1,085,269	141,529	1,117,669	172,013
Total current comprehensive income or loss	3,017,989	3,936,054	12,103,010	10,414,560	1,959,458
Net income attributable to the shareholder's equity of the parent company	2,817,880	2,918,705	11,960,937	9,294,214	1,783,630
Net income attributable to the non-controlling equity	(44,091)	(67,920)	544	2,677	3,815
Comprehensive profit and loss attributable to the shareholder's equity of the parent company	3,063,366	4,004,833	12,102,626	10,411,003	1,955,763
Comprehensive profit and loss attributable to the non-controlling equity	(45,377)	(68,779)	384	3,557	3,695
EPS (retrospectively adjusted)	2.37	2.45	10.01	7.76	1.48

## (IV) Condensed Comprehensive Income Statement (individual)

Unit: In thousands of New Taiwan Dollars  
(EPS in NT\$)

Item \ Year	Financial information covering the last 5 years				
	2019	2020	2021	2022	2023
Revenue	2,861,497	2,968,036	12,077,658	9,919,393	2,211,820
Gross profit	2,861,497	2,968,036	12,077,658	9,919,393	2,211,820
Operating income (loss)	2,827,265	2,934,156	12,031,450	9,875,598	2,176,105
Non-Operating Income and Expenses	13,053	(4,888)	1,969	132,671	27,785
Pre-Tax Income (loss)	2,840,318	2,929,268	12,033,419	10,008,269	2,203,890
Continuing department net income - current (Loss)	2,817,880	2,918,705	11,960,937	9,294,214	1,783,630
Loss from the discontinued department	0	0	0	0	0
Net Income - current (Loss)	2,817,880	2,918,705	11,960,937	9,294,214	1,783,630
Other current comprehensive income (loss) (net after tax)	245,486	1,086,128	141,689	1,116,789	172,133
Total current comprehensive income or loss	3,063,366	4,004,833	12,102,626	10,411,003	1,955,763
EPS	2.37	2.45	10.01	7.76	1.48

## (V) Names and audit opinions of CPAs in the latest five years

Year	Name of CPA firm	Name of CPA	Auditing opinions
2019	PwC Taiwan	Wen, Fang-Yu, Cheng, Ya-Huei	Unqualified opinion plus other matters section
2020	PwC Taiwan	Lin, Yu-Kuan/Cheng, Ya-Huei	Unqualified opinion plus other matters section
2021	PwC Taiwan	Liu, Chien-Yu/ Cheng, Ya-Huei	Unqualified opinion with emphasis-of-matter and other-matter paragraphs
2022	PwC Taiwan	Liu, Chien-Yu/ Cheng, Ya-Huei	Unqualified opinion with emphasis-of-matter paragraphs
2023	PwC Taiwan	Liu, Chien-Yu/ Li, Tien-Yi	Unqualified opinion

## II. Financial analysis covering the most recent 5 years:

### (I) Financial analysis (consolidated)

Analysis items \ Year		Financial analysis in the latest five years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to asset ratio	28.61	25.2	31.09	29.08	30.78
	Ratio of long-term capital to property, plant and equipment	528.83	575.9	779.35	899.58	976.66
Debt servicing capability (%)	Current ratio	164.43	175.54	176.03	171.75	171.93
	Quick ratio	105.95	99.44	95.62	110.32	121.93
	Interest Coverage ratio	56.14	65.11	789.56	106.26	17.47
Operating efficiency	A/R turnover rate (times)	6.10	6.97	7.80	7.16	5.99
	Average collection days	59.83	52.36	46.79	50.97	60.93
	Inventory turnover rate (times)	4.30	4.32	3.60	4.16	3.41
	Payable turnover ratio (times)	5.47	5.82	5.44	6.72	5.22
	Average days in sales	84.88	84.49	101.38	87.74	107.03
	Property, plant and equipment turnover ratio (times)	4.78	5.28	5.42	6.15	4.74
	Total assets turnover (times)	0.69	0.73	0.63	0.59	0.40
Profitability	Return on assets (%)	5.45	5.14	17.93	11.59	2.17
	Return on equity (%)	7.17	6.92	25.08	16.41	2.92
	Pre-tax income to paid-up capital (%)	28.61	24.69	155.00	93.97	16.58
	Net profit margin (%)	7.74	6.92	28.35	19.43	5.02
	Earnings per share (NT\$)	2.37	2.45	10.01	7.76	1.48
Cash flow (%)	Cash flow ratio	1.65	21.32	-	11.15	25.66
	Cash flow adequacy ratio	59.52	47.39	37.14	29.54	49.62
	Cash reinvestment ratio	-	3.17	-	-	4.07
Leverage ratios	Operating leverage ratios	14.22	92.18	159.30	-	96.10
	Financial leverage ratios	1.12	2.66	2.31	-	-
Root causes of changes in each financial ratio in the last two years (the changes under 20% are exempt from analyses)						
1. The decrease in the interest coverage ratio mainly resulted from a decrease in the income before tax and interest expense.						
2. The rise in the average collection days was brought about by an decrease in the revenue.						
3. The drop in the Payable turnover ratio mainly resulted from an decrease in the costs.						
4. The rise in average days in sales was brought about by an decrease in the costs.						
5. The decrease in property, plant and equipment turnover ratio and Total assets turnover was brought about by an decrease in the revenue.						
6. The decrease in the ratio of profitability and earnings per share due to an investment disposal in 2022 and conversion benefits were recognized, but there was no such situation in 2023.						
7. The rise in the cash flow ratio resulted from a increase in the net cash inflow from operating activities.						

8. The increase in cash flow adequacy ratio mainly resulted from the increase in net cash inflow from operating activities for the most recent five years.
9. The increase in cash reinvestment ratio mainly resulted from the increase in net cash inflow from operating activities.
10. The increase in operating leverage ratios mainly resulted from the increase in gross profit.



## (II) Financial analysis (parent company only)

Analysis \ Year		Financial analysis in the latest five years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to asset ratio	3.02	7.71	10.43	25.88	26.74
	Ratio of long-term capital to property, plant and equipment	1,240,256.72	1,788,645.36	3,301,376.55	9,392,043.36	-
Debt servicing capability (%)	Current ratio	20.04	46.76	62.51	36.52	170.15
	Quick ratio	19.96	46.74	62.49	36.51	170.08
	Interest Coverage ratio	1,364.2	337.6	1,058.84	508.88	-
Operating efficiency (Note)	A/R turnover rate (times)	NA	NA	NA	NA	NA
	Average collection days	NA	NA	NA	NA	NA
	Inventory turnover rate (times)	NA	NA	NA	NA	NA
	Payable turnover ratio (times)	NA	NA	NA	NA	NA
	Average days in sales	NA	NA	NA	NA	NA
	Property, plant and equipment turnover ratio (times)	NA	NA	NA	NA	NA
	Total assets turnover (times)	NA	NA	NA	NA	NA
Profitability	Return on assets (%)	7.13	6.72	22.81	13.25	2.15
	Return on equity (%)	7.29	7.10	25.10	16.42	2.92
	Earnings before taxation in proportion to paid-in capital (%)	26.36	24.27	99.73	82.94	18.26
	Net profit margin (%)	98.47	98.33	99.03	93.69	80.64
	EPS (\$)	2.37	2.45	10.01	7.76	1.48
Cash flow(%)	Cash flow ratio	33.48	5.21	15.33	17.57	68.32
	Cash flow adequacy ratio	42.67	41.19	42.85	48.48	51.87
	Cash reinvestment ratio	-	-	-	-	-
Leverage ratios	Operating leverage ratios	1.00	1.00	1.00	1.00	1.00
	Financial leverage ratios	1.00	1.00	1.00	1.00	1.00

Root causes of changes in each financial ratio in the last two years (the changes under 20% are exempt from analyses)

1. The ratio of long-term capital to property, plant and equipment decreased as a result of the net value of property, plant and equipment in 2023 was zero.
2. The increase in current ratio and quick ratio mainly resulted from the decrease in other payables - related party.
3. The decrement in the interest coverage ratio arose from interest expense in 2023 was zero.

- |   |
|---|
| <ol style="list-style-type: none"><li>4. The decrease in profitability ratios and eps was due to a drop in investment revenue.</li><li>5. The increase in cash flow ratio was due to a drop in other payables- related parties.</li></ol> |
|---|

Note: Not applicable, as the Company is an investment holding company.

#### 1. Financial structure

- (1) Debt to asset ratio = total liabilities / total assets
- (2) The ratio of long-term capital to property, plant and equipment = (total equities + non-current liabilities) / net amount of property, plant and equipment.

#### 2. Debt servicing capability

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets - inventory-prepayments) / current liabilities
- (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period

#### 3. Operating capacity

- (1) Receivables turnover (including accounts receivable and notes receivable from business activities) = net sales / average receivables balance (including accounts receivable and notes receivable from business activities).
- (2) Average days of collection = 365 / Receivables turnover
- (3) Inventory turnover = Cost of goods sold / Average inventory amount
- (4) Payables turnover (including accounts payable and notes payable for business activities) = cost of sales / average payables balance (including accounts payable and notes payable for business activities).
- (5) Average days in sales = 365 / Inventory turnover
- (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment balance.
- (7) Total assets turnover = Net sales / Average total assets

#### 4. Profitability

- (1) Return on assets = [Net Income or Loss + Interest expense  $\times$  (1 - tax rate)] / Average total assets
- (2) Return on equity = after tax net profit / average total equity
- (3) Net profit margin = after tax net profit / net sales
- (4) Earnings per share = (attributable to the shareholder's profit and loss of the parent company) - Preferred dividends / Weighted average number of shares issued

#### 5. Cash flow

- (1) Cash flow ratio = Cash flow from operating activities / current liabilities
- (2) Cash flow adequacy ratio = net cash flow from operating activities in the latest five years / (capital expenditure inventory + increase + cash dividends) in the latest five years.
- (3) Cash flow reinvestment ratio = (Cash flow from operating activities - Cash dividends) / (Property, Plant and Equipment + long term investments + Other non-current assets + working capital)

#### 6. Degree of leverage

- (1) Degree of operating leverage = (net operating revenues - variable operating costs and expenses) / operating income.
- (2) Degree of financial leverage = operating income / (operating income - interest expense).

**III. The Audit Committee' Review Report on the financial statement of the most recent year:** refer to P. 139 for further information.

**IV. Financial report in the most recent year:** refer to P. 140 - P.235 for further information.

- V. The Company's financial statement for the most recent fiscal year, certified by a CPA: See from P.236 to P.295.**
- VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.**

## Seven.A review and analysis of the Company's financial status and operating results, and risk management

### I. The Company's financial status

Unit: In thousands of New Taiwan Dollars

Item \ Year	Dec. 31, 2022	Dec. 31, 2023	Variation	
			Amount	%
Current assets	26,965,716	31,539,479	4,573,763	17%
Property, Plant and Equipment	7,768,091	7,209,141	(558,950)	-7%
Intangible assets	113,827	103,193	(10,634)	-9%
Other assets	50,732,691	49,900,512	(832,179)	-2%
Total assets	85,580,325	88,752,325	3,172,000	4%
Current liabilities	15,699,754	18,343,489	2,643,735	17%
Non-Current liabilities	9,187,840	8,981,005	(206,835)	-2%
Total liabilities	24,887,594	27,324,494	2,436,900	10%
Share capital	12,065,568	12,065,568	-	0%
Additional paid-in capital	22,610,906	22,789,603	178,697	1%
Retained earnings	23,373,318	23,158,930	(214,388)	-1%
Other equity	2,754,695	3,310,848	556,153	20%
Treasury Stock	(162,874)	-	162,874	-100%
Attributable to the shareholder's equity of the parent company	60,641,613	61,324,949	683,336	1%
Non-Controlling Interest	51,118	102,882	51,764	101%
Total equity	60,692,731	61,427,831	735,100	1%
The main reasons for any material change in the Company's assets, liabilities, or equity during the past two fiscal years:				
1. Other equity: As a result of an increase in the financial statements translation differences of foreign operations and an decrease in the Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income.				
2. Treasury Stock: Mainly due to disposal of the company's stock by subsidiary Tsu Fung Investment Corp. in current year.				
3. Non-Controlling Interest : Mainly due to disposal of the subsidiary's stock.				

### II. The Company's financial performance

Unit: In thousands of New Taiwan Dollars

Item \ Year	2022	2023	Variation	
			Amount	%
Revenue	47,832,957	35,536,013	(12,296,944)	-26%
Gross profit	3,835,818	4,489,808	653,990	17%
Operating profit	(1,188,690)	67,705	1,256,395	106%
Non-Operating Income and Expenses	12,526,806	1,933,555	(10,593,251)	-85%
Net profit before tax	11,338,116	2,001,260	(9,336,856)	-82%
Income tax expense	(2,041,225)	(213,815)	1,827,410	90%
Net Income - current	9,296,891	1,787,445	(7,509,446)	-81%
Other current comprehensive income	1,117,669	172,013	(945,656)	-85%
Total current comprehensive income or loss	10,414,560	1,959,458	(8,455,102)	-81%
Net income attributable to the shareholder's equity of the parent company	9,294,214	1,783,630	(7,510,584)	-81%

Item \ Year	2022	2023	Variation	
			Amount	%
Comprehensive profit and loss attributable to the shareholder's equity of the parent company	10,411,003	1,955,763	(8,455,240)	-81%
<p>(I) The main reasons for the variations in the last two years:</p> <ol style="list-style-type: none"> <li>1. YOY decrease in revenue : Due to a change in customer and product portfolios</li> <li>2. YOY increase in operating profit: Due to a client organization reorganized in 2022, relevant losses are listed after prudent assessment in accordance with the principle of prudence.</li> <li>3. YOY decrease in non-operating income and expenses: Brought about by a drop in Share of profit of associates and joint ventures accounted for using equity method, profit on disposal of investments and currency exchange gain.</li> <li>4. YOY decrease in net profit before tax: Mainly due to decrease in non-operating income and expenses.</li> <li>5. YOY decrease in income tax expenses, net Income – current and net income attributable to the shareholder's equity of the parent company: Mainly due to decrease in net profit before tax.</li> <li>6. YOY decrease in other current comprehensive income: As a result of decrease in unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income.</li> <li>7. YOY decrease in total current comprehensive income or loss and net income attributable to the shareholder's equity of the parent company : Mainly due to decrease in net Income and other comprehensive income.</li> </ol> <p>(II) Expected sales volume and basis of estimate: No applicable, as the Company does not prepare financial forecasts.</p> <p>(III) The possible effect upon the Company's financial operations as well as measures to be taken in response: No material effect.</p>				

### III. Cash flow

#### (I) Analysis of cash flow for the year

Unit: In thousands of New Taiwan Dollars

Opening cash balance	Annual net cash flow from operating activities	Annual net cash flow from investing activities	Annual net cash flow from financing activities	Ending cash balance
7,801,360	4,708,320	(278,534)	(3,819,398)	8,321,029

1. Operating activities: The amount of net cash inflow from operating activities was NT\$4,708,320 thousand. This was mainly due to the change in net assets and net liabilities related to operating activities.
2. Investing activities: The amount of net cash outflow from investing activities was NT\$278,534 thousand, which arose from acquisition of financial assets at amortised cost and property, plant and equipment.
3. Financing activities: The amount of net cash outflow from financing activities was NT\$3,819,398 thousand, which resulted from repayments of short-term loans and distributing cash dividends.

#### (II) Improvement plans for cash deficit: Not applicable.

(III) Cash liquidity analysis for the next fiscal year

Unit: In thousands of New Taiwan Dollars

Opening cash balance	Annual net cash flow from operating activities	Annual cash outflow	Cash surplus (deficit)	Remedies for cash shortfalls	
				Investment plans	Finance plans
8,321,029	2,571,534	(3,447,130)	7,445,433	-	-

1. Analysis of cash flow for the year:

(1) Operating activities: Net cash inflow from operating activities is expected in 2024, which is due to operating profits and the change in net assets and net liabilities related to operating activities.

(2) Annual cash outflow: Mainly caused by spending on the factory engineering and distributing cash dividends.

2. Improvement plans for cash shortfalls: Not applicable.

**IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.**

**V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:**

- (I) The reinvestment policy for the most recent fiscal year: The reinvestments of the Group are long-term strategic planning for future business demands, hoping to increase revenues and profits.
- (II) The main reasons for the profits/losses generated from reinvestments and the plan for improving re-investment profitability: Profits were mainly caused by the stable growth of business and proper control of costs. The loss was mainly caused by the reason that it is still on the stage of developing new products or the sales of products fell short of expectation. In addition, MiTAC will consider elements from all perspectives and make proper management policy for non-operating reinvestees or investees with poor performance to improve management performance and control investment losses.
- (III) Investment plans for the coming year: The Company will follow the operating strategy to execute the global investment plans.

**VI. Risk management issues**

- (I) Impact of changes in interest rates and exchange rates, and inflation on the Company's profit, and future response measures:

1. The influence of changes in interest rates and exchange rates, and inflation in 2023 on the profit of the Company:

Unit: In thousands of New Taiwan Dollars

Item	2023	
	Amount	As a percentage of revenues %
Interest income (expense)	22,844	0.06
Exchange gains (losses) (including gains/losses on valuation of financial instruments)	(225,177)	(0.63)

Note: The influence of inflation on the profits (loss) of the Company is insignificant.

2.The response measures taken by the Company for interest and exchange rate fluctuations and changes in the inflation rate:

- (1)The pricing, collection and payments for trade receivables and payables are mainly in USD along with one-basket currencies to reduce the effect of exchange rate fluctuation on the overall revenues.
- (2)All derivative transactions the Company has currently undertaken are intended to hedge against foreign currency assets and liabilities shown on the balance sheet. As required by "Procedures for Derivatives Trading ," the Company transacts financial instruments with banks and evaluates gains and losses on a regular basis to ensure that hedges remain effective in minimizing interest rate and exchange rate impacts on income.
- (3)The Company maintains close interactions with banks and conducts regular assessments to secure the best borrowing rates, and therefore reduces impact of interest rate variations on income.
- (4)The Company gathers regular information on exchange rate, interest rate, and the financial market. Meetings are held where appropriate to discuss the best course of action. In the occurrence of extreme market events, the executive management will be notified immediately for proper actions.
- (5)In light of Geopolitical conflicts continue and recent disasters caused by extreme weather conditions and the dramatic changes of interest rates and exchange rates around the world, it is increasingly important for businesses to source supplies that are stable and reasonably priced. To address this challenge, MiTAC has been monitoring changes in the market and making procurement plans in advance so that suppliers have ample time to find alternative materials or make advance purchases at their discretion. As most of the material supply chains are affected more or less by prolonged delivery, it has become apparent that the Company must devote greater attention to creating demand, exploring ways to reduce risks, managing uncertainties involving prolonged delivery and shortage of labor, easing inventory control, and adjusting cost control for non-production materials. Meanwhile, distributors may carry additional inventory as a response to mitigate the impact on the Company's profit due to supply disruptions or volatile costs.

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

- 1.MiTAC does not engage in high-risk and highly leveraged investments.
- 2.Funds were loaned to others in accordance with the "Procedures for Lending Funds to Others". The loan objects and amounts were in compliance with relevant laws and regulations.
- 3.Endorsement/guarantees in favor of third parties were undertaken in accordance with the "Procedures for Endorsements and Guarantees". The endorsement/guarantee objects and amounts are in compliance with relevant laws and regulations.
- 4.Derivatives transactions are conducted in accordance with "Procedures for Derivatives Trading". Transactions in derivative financial products are all for the purpose of hedging.



(III) Research and development work to be carried out in the future, and further expenditures expected for research and development:

1. This year (2024), the Company plans to appropriate NT\$2.6 billion in R&D.

2. Future R&D plans

(1) Cloud computing product series

- AI and in-depth learning optimal design server platform
- Industrial grade embedded server platform
- High-performance GPU computing server
- 5G radio access network (RAN) servers and edge computing servers

(2) Automotive electronics, AIoT and industrial PC products series

- Cloud computing applications and technologies
- Integrated data capture, voice, and wireless broadband communication
- Global positioning system (GPS), electronic navigation technologies and mobile positioning services
- Compact portable electronic devices; technological development for green energy products.
- Development of the new generation of Intel core Embedded Motherboard
- R&D of embedded industrial use main board for terminal application
- Development of industrial panel PCs of different sizes
- Development of Panel Mount/Open Frame Panel PC in different sizes
- Development of Kiosk Panel PC in different sizes
- Development of the new generation of Intel core Embedded Motherboard
- Development of Industrial use wide temperature and voltage range 3.5" motherboard.
- Development of industrial 2.5" motherboards with wide temperature and wide voltage ranges.
- Development of Industrial/Medical use COM Express motherboard module.
- Development of quasi system Box PC for railway transport (IEC50155).
- Wide-temperature and wide-voltage fan-less Box PC
- ARM framework embedded motherboard and Box PC
- Industrial Edge AI Embedded System
- High-Performance Dual-GPU Machine Learning System
- Smart NVR
- Open Frame Panel PC
- Industrial ICS Gateway

(IV) Financial impacts and response measures in the event of changes in important domestic and foreign policies and regulations:

The impact of the Sino-US trade war and our corresponding strategies:

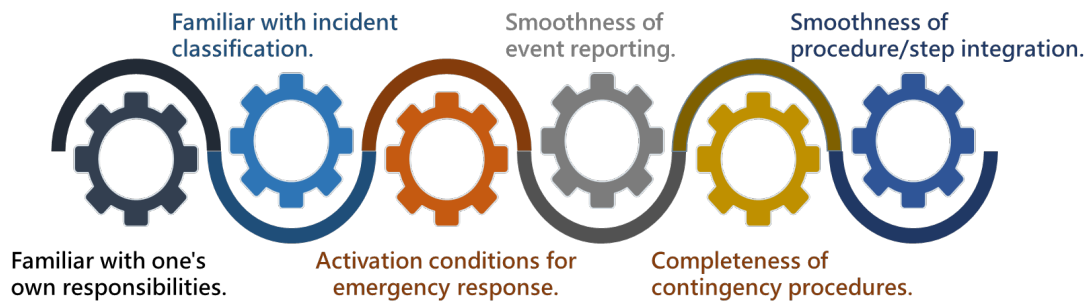
MiTAC Group (MiTAC) has global presence and has production sites in China and the USA. Subject to the development condition, the Company will seek the optimal production model based on the production cost, logistic cost and customer needs, and will also make good use of the production base in the USA to engage in assembly and production to mitigate the tariff impact. The production line installation project of the Hsinchu Science Park factory was initiated in 2018. A part of mainland China's production capacity was transferred back to the factory in Hsinchu in the middle of 2019.

Therefore, no material impact should be imposed on the Group's financial position.

For the US Entity List, the Company performs due diligence according to our customer's request through the e-SCM platform to ensure our purchased parts and components are in compliance with the requirements.

(V) Financial impacts and response measures in the event of changes in technology(including cyber security risks)and the industry:

- 1.To adapt to climate change, countries around the world will gradually announce their net-zero carbon routes and the global supply chains will ask suppliers to set their carbon reduction goals according to the carbon reduction pathways of brands. The company had completed the construction and outsourcing of solar energy at four manufacturing sites. It is expected that upon completion, the annual clean energy ratio will reach 9.78%. In addition, continue to the replacement of energy-consuming equipment in order to comply with the laws and meet customers' requirements. For the purpose of saving energy and reducing carbon emissions year by year, the finance department will draw up and review a budget for carbon reduction during annual budget planning and dedicated units will introduce and incorporate new energy saving technologies into the operations or equipment through digital transformation projects.
- 2.The post-pandemic industry changes and the situation of the Sino-US trade treaty are expected to have effects on the global strategic planning and investment strategy. MiTAC has started the construction of a new factory in Hanoi, Vietnam this year. The best response to this change would be to continue in the introduction of automated production lines in all factories to reduce the impact of the labor changes on the production output. In addition, MiTAC will try to incorporate the concept of manufacturing 4.0 and enhance supply chain management with an intelligent system. By integrating automated machinery with the production system, MiTAC would be able to produce broad variety of products in small quantities at a faster rate.
3. As the pandemic is waning, the supply chain will return to its 2019 profile. However, the material shortage caused by the pandemic and long supply chain caused by international division of labor have led to permanent change to the industry, which in turns continuously affect the production mode of the electronic industry. The rating and risk management of our suppliers will be included in the management of our qualified suppliers.
4. Considering domestic and foreign ransomware attacks come out one after the other, which seriously affect operations and production, the joint emergency response exercise was performed at the information departments in the important production locations to protect against ransomware attacks in 2023. Verify the effectiveness of various message transmission channels when encountering general and major information security incidents, while promoting the timeliness of information security warnings and information release. During the drill, it was tested whether the emergency contact group and list were correct, whether the emergency response team's reporting response, processing capabilities and audit mechanism were complete, whether reporting operations could be carried out correctly and quickly when an information security incident was discovered, and whether the communication and reporting channels were smooth. Only through continuous drills every year can we continue to strengthen the emergency response capabilities and incident handling fluency of the response team can we ensure that abilities of the Group can deal with disasters and reduce damage, and enhance the risk management skills and response capability.



- (VI) Impacts on crisis management and response measures in the event of changes in the corporate image: None.
- (VII) Expected benefits and possible risks associated with mergers and acquisitions, and responsive measures: None.
- (VIII) Expected benefits and possible risks with regard to any plant expansion, and response measures: None.
- (IX) Risks associated with any consolidation of purchasing or sales operations, and response measures:
- Purchasing: The main raw material procurement policy is based on the principle of having two suppliers or more and decentralizing procurement. We maintain safety stock and instantly update changes in demand with major suppliers to ensure a long-term and close collaboration relationship and to secure the source of all materials.
- Sales: MiTAC's strong R&D and manufacturing capability has enabled it to maintain long-term relationship with existing customers while at the same time explore new customers to diversify revenue sources. There should not be any concentration in sales that would impact the Company's growth.
- (X) Effect upon and risk to the Company in the event that a major quantity of shares belonging to a director or a shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and response measures: The Company is constantly aware of the identity of the controlling shareholders, and the name of the ultimate controller of the major shareholders. The shareholdings of the directors and major shareholders with more than 10% ownership interest are reported regularly in accordance with the Securities and Exchange Act.
- (XI) Effect upon and risk to the Company associated with any change in governance personnel or top management, and response measures: None.
- (XII) Litigation and non-contentious matters:
- In the most recent fiscal year up till the publication date of this annual report, there had been no litigations, non-contentious cases, or administrative litigations involving the Company, the Company's director, president, person-in-charge, any shareholder with more than 10% ownership interest, or any subsidiary of the Company that would have significant impact on shareholders' equity or securities prices, as described in the subparagraph 12, Paragraph 6, Article 20 of "Regulations Governing Information to be Published in Annual Reports of Public Companies."
- (XIII) Other major risks and response measures:
1. Profit-oriented strategy for suppliers: Integration continues to be conducted in the IT industry and the strategic alliance mode is further adopted in the hope for finding the niche of the industry chain. The rise of Chinese suppliers coupled with rising wages in China, volatile commodity prices, and shift of focus towards hand-held devices and cloud applications all pose additional pressure to material costs and stability of supply. In response to this threat, MiTAC will discuss with its suppliers regularly on the choice and supply of materials and changes in the market, and adjust its procurement

strategies accordingly.

2. In response to the global inflation and lower consumer demands in the post-pandemic era, the Group will continue to perform the financial investigation and analysis of the existing vendors to check if the finance of our major suppliers are robust. This is the main topic of the main supplier risk management.

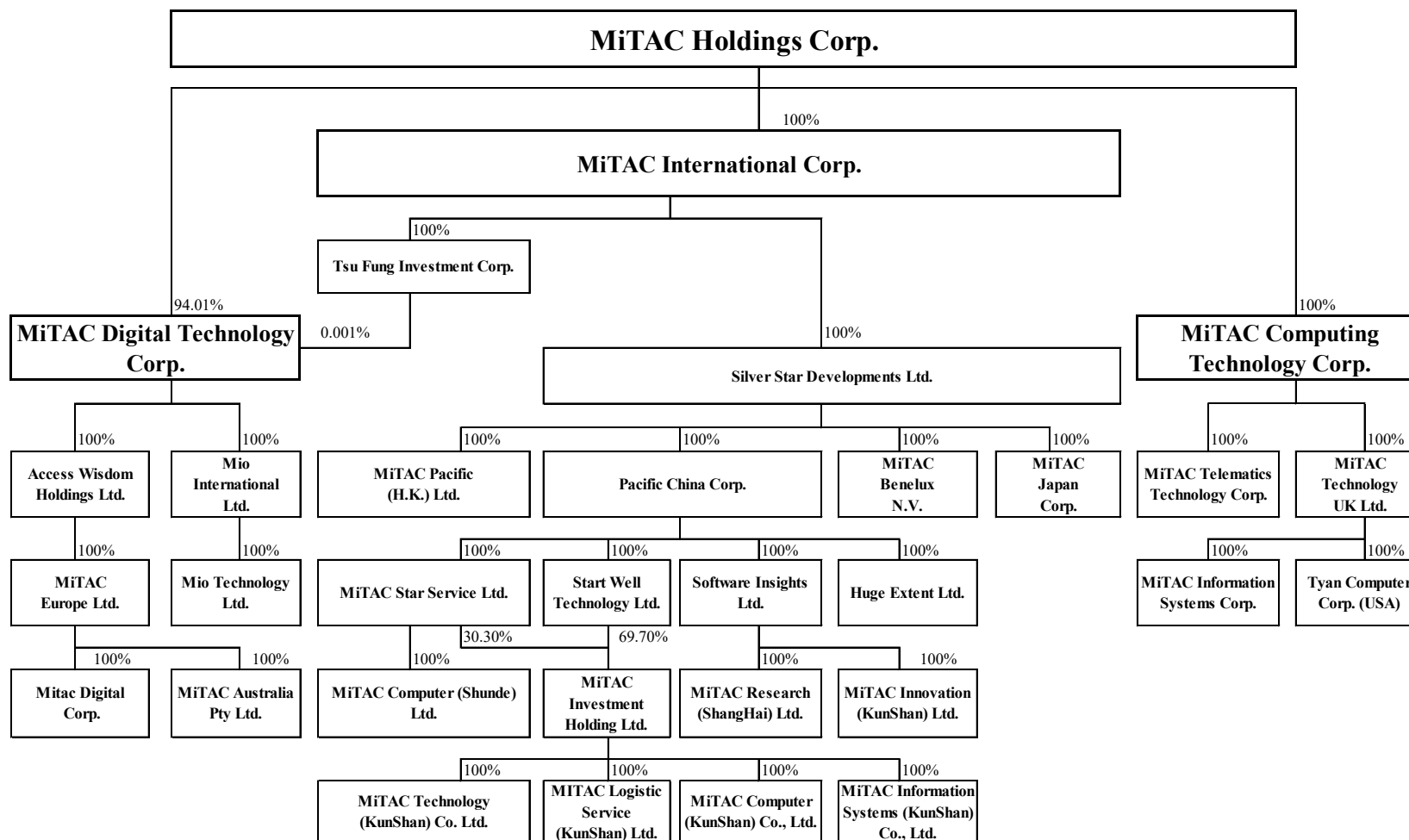
**VII. Other important matters:** None.

## Eight.Important Notice

### I. Information on affiliates

(I) The consolidated business reports of affiliates

#### 1. Organizational Chart of Affiliates



## 2.Basic information of each affiliate

Currency: NTD 1,000

Enterprise name	Date of incorporation	Address	Paid-in capital (Note 1)	Principal business or running items
MiTAC International Corp.	Dec. 08, 1982	No.1, Yan-Fa 2nd Rd., Hsinchu Science Park, Hsinchu City, Taiwan, R.O.C.	NTD40,994,343	The development, design, manufacturing, and sales of computers and peripherals, communications and related products.
MiTAC Computing Technology Corp.	Jul. 25, 2014	3F, No.1, Yan-Fa 2nd Rd., Hsin-Chu Science Park, Hsinchu County, Taiwan, R.O.C.	NTD2,327,571	The development, design, manufacturing, and sales of computers and peripherals, communications and related products.
Tsu Fung Investment Corporation	Feb. 16, 1998	10F, No. 77, Sec. 3, Minsheng E. Rd., Chungshan Dist. Taipei City, Taiwan, R.O.C.	NTD1,428,847	General investment
Silver Star Developments Ltd.	Jun. 05, 1990	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	NTD5,365,669	General investment
MiTAC Japan Corp.	Apr. 30, 1983	Yasuda Shibaura-building No2 3F, Kaigan 3-2-12, Minato-ku, Tokyo, Japan 108-0022	YEN50,000	Sale of communication equipment, computer peripherals and software/hardware and provision of after-sale maintenance and repair services
MiTAC Benelux N.V.	Sep. 13, 1993	Z5 Mollem 318 - 1730 Asse (Mollem), Belgium	EUR1,618	Sales of communication products and related post-delivery service
MiTAC Pacific (H.K.) Ltd.	Jun. 13, 1991	Unit 1503, 15/F., Tower II, Metroplaza No. 223 Hing Fong Road Kwai Chung, New Territories	USD10	Operation and management related services
Pacific China Corp.	Dec. 27, 1996	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	N TD2,736,399	General investment
MiTAC Computer (Shunde) Ltd.	Jan. 18, 1993	No .1, Shunda Road, Lunjiao Street, ShunDe District, Foshan City, Guangdong Province, China	CNY416,705	Production of mainframe, motherboard, interface cards, displays, power supply, keyboards and related metal/plastic parts, motherboard repair services, and IoT device manufacturing.
Start Well Technology Ltd.	Apr. 20, 2000	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	NTD910,007	General investment
MiTAC Computer (KunShan) Co., Ltd	Nov. 01, 2000	No. 269, 2nd Avenue, District A, Comprehensive Free Trade Zone, Kunshan, Jiangsu, P.R.C.	CNY270,505	Production of products relating to communication, computers, peripherals, software and hardware; sale of proprietary products.
Software Insights Ltd.	Jul. 18, 2000	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	NTD158,265	General investment
MiTAC Star Service Ltd.	Jan. 12, 2001	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	NTD1,357,424	General investment
MiTAC Technology (KunShan) Co., Ltd.	Jan. 28,2002	No. 269, 2nd Avenue, District A, Comprehensive Free Trade Zone, Kunshan, Jiangsu, P.R.C.	CNY8,277	Testing, maintenance, and technical consultation and after-sale service of computer parts and related products.
Mio International Ltd.	Feb. 06, 2004	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD1,275	General investment
MiTAC Research (ShangHai) Ltd.	Nov. 23, 2004	No. 213, Jiangchang San Road, Jin-an District, Shanghai	CNY36,539	Research/development and technical consultation services
Huge Extent Ltd.	Jun. 22, 2006	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	NTD243,480	General investment

Enterprise name	Date of incorporation	Address	Paid-in capital (Note 1)	Principal business or running items
MiTAC Australia Pty Ltd.	Mar. 06, 2007	Unit 5,43-51 College Street, Gladesville NSW 2111 Australia	AUD6,022	Sale of automotive electronics and AIoT products
MiTAC Europe Ltd.	May 10, 2001	The Pinnacle 3rd Floor, Station Way, Crawley, West Sussex, United Kingdom, RH10 1JH	EUR18,830	Sale of automotive electronics and AIoT products
Tyan Computer Corp.( USA)	Jul. 17, 1989	39660 Eureka Drive, Newark, CA 94560, USA	USD3,950	Sales of computer peripherals, software and hardware and related products
Mio Technology Ltd.	Dec. 04, 2003	No.1, Hengchunxiang Road, Yushan Town, Kunshan City, Jiangsu, P.R.C	CNY1,878	Sale of automotive electronics and AIoT products
MiTAC Logistic Service (KunShan) Ltd.	Mar. 17, 2008	No. 269, 2nd Avenue, District A, Comprehensive Free Trade Zone, Kunshan, Jiangsu, P.R.C.	CNY6,821	Shipping agent, import/export, and warehouse service.
MiTAC Digital Corp.	Nov. 21, 2008	39889 Eureka Drive Newark, CA 94560, USA	USD45,000	Sale of automotive electronics and AIoT products and software
MiTAC Information Systems Corp.	Jul. 08, 2010	39889 Eureka Drive Newark, CA 94560, USA	USD25,000	Assembly and sale of computer peripherals, software/hardware and related products
MiTAC Innovation (KunShan) Ltd.	Jan. 21, 2011	No.1, Hengchunxiang Road, Yushan Town, Kunshan City, Jiangsu, P.R.C	CNY6,571	Research/development and technical consultation services
MiTAC Telematics Technology Corporation	Jul. 24, 2014	Suite 201-2, No. 213, Jiangchang San Road, Jin-an District, Shanghai	CNY2,000	Sale of proprietary products and provision of after-sale services
MiTAC Technology UK Ltd.	Aug. 01, 2014	The Pinnacle 3rd Floor, Station Way, Crawley, West Sussex, United Kingdom, RH10 1JH	USD55,146	General investment
MiTAC Information Systems (KunShan) Co., Ltd.	Sep. 17, 2015	No.789, Chang Jiang South Road, Kunshan Economic & Technological Development Zone, Kunshan, Jiangsu, P.R.C.	CNY450,000	Production of products relating to communication, computers, peripherals, software and hardware; sale of proprietary products.
MiTAC Investment Holding Ltd.	Nov. 06, 2015	No.1, Hengchunxiang Road, Yushan Town, Kunshan City, Jiangsu, P.R.C	CNY679,292	General investment
MiTAC Digital Technology Corporation	Sep. 01, 2017	4F, No.1, Yen-Fa 2nd Rd., Hsinchu Science Park, Paoshan Township, Hsinchu County, Taiwan, R.O.C.	NTD1,061,000	Development, design, manufacturing and sale of automotive electronics and AIoT products and software
Access Wisdom Holdings Ltd.	Oct. 23, 2017	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD48,500	General investment

Note: Please refer to Note 3 of the operation summary of each affiliate for the exchange rate on the date of the financial statement. (Page 136)

3.Information on the same shareholder deemed as controlling or in a parent-subsiary relationship: None.

4.The industries in which the affiliates operate and the linkage between the affiliates

Industry	Name of affiliates	Connection with other affiliates in business operation
Manufacturing and sale of communication and computer products	MiTAC International Corp.	Manufacturing and sale of products, and provision of after-sale services
	MiTAC Computer (KunShan) Co., Ltd.	Manufacturing and sale of products
	MiTAC Computer (Shunde) Ltd.	Manufacturing and sale of products
	MiTAC Computing Technology Corp.	Manufacturing and sale of products, and provision of after-sale services
	MiTAC Information Systems (KunShan) Co., Ltd.	Manufacturing and sale of products
	MiTAC Digital Technology Corporation	Manufacturing and sale of products, and provision of after-sale services
Investment holding companies	Silver Star Developments Ltd.	Investment in overseas subsidiaries for the manufacturing and sales of products and provision of after-sale services
	Pacific China Corp.	Investment in overseas subsidiaries for the manufacturing and sales of products and provision of after-sale services
	Software Insights Ltd.	Investment in overseas subsidiaries for product research and development, and provision of technical consultation services
	Start Well Technology Ltd.	Investment in overseas subsidiaries for the manufacturing and sales of products and provision of after-sale services
	MiTAC Star Service Ltd.	Investment in overseas subsidiaries for the manufacturing and sales of products
	Huge Extent Ltd.	General Investment
	Tsu Fung Investment Corporation	General Investment
	MiTAC Technology UK Ltd.	Investment in overseas subsidiaries for the sales of products and provision of after-sale services
	MiTAC Investment Holding Ltd.	General Investment
	Access Wisdom Holdings Ltd.	General Investment
Technical Service	MiTAC Research (ShangHai) Ltd.	Research, development and technical consultation services
	MiTAC Technology (KunShan) Co., Ltd.	After-sale product maintenance and repair, and provision of technical consultation services
	MiTAC Innovation (KunShan) Ltd.	Research, development and technical consultation services
Trading	MiTAC Japan Corp.	Sale of products and provision of after-sale services
	MiTAC Benelux N.V.	Sale of products and provision of after-sale services
	Mio International Ltd.	Sale of products
	Mio Technology Ltd.	Sale of products and provision of after-sale services
	MiTAC Australia Pty Ltd.	Sale of products and provision of after-sale services
	MiTAC Europe Ltd.	Sale of products and provision of after-sale services
	Tyan Computer Corp.( USA)	Sale of products and provision of after-sale services
	MiTAC Digital Corp.	Sale of products and provision of after-sale services
	MiTAC Telematics Technology Corporation	Sale of proprietary products and provision of after-sale services



Industry	Name of affiliates	Connection with other affiliates in business operation
Trading and assembly	MiTAC Information Systems Corp.	Assembly and sale of products, and provision of after-sale services
Shipping agent and import/export trade	MiTAC Logistic Service (KunShan) Ltd.	Shipping agent, import/export, and warehouse service.
	MiTAC Pacific (H.K.) Ltd.	Operation and management related services

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

Enterprise name	Title	Name or representative	Shareholding	
			Shares held	Shareholding percentage
MiTAC International Corp.	Chairman	MiTAC Holdings Corporation /Rep: Miao, Matthew Feng Chiang	4,099,434,336	100%
	Director/President	MiTAC Holdings Corporation/Rep: Ho, Jhi-Wu	4,099,434,336	100%
	Director	MiTAC Holdings Corporation/Rep: Michael Lin	4,099,434,336	100%
	Director	MiTAC Holdings Corporation/Rep: Steve Chang	4,099,434,336	100%
MiTAC Computing Technology Corp.	Chairman	MiTAC Holdings Corporation/Rep: Ho, Jhi-Wu	232,757,102	100%
	Director	MiTAC Holdings Corporation /Rep: Miao, Matthew Feng Chiang	232,757,102	100%
	Director/President	MiTAC Holdings Corporation/Rep: Michael Lin	232,757,102	100%
	Supervisor	MiTAC Holdings Corporation/Rep: Crystal Yang	232,757,102	100%
MiTAC Digital Technology Corporation	Chairman	MiTAC Holdings Corporation/Rep: Ho, Jhi-Wu	99,749,000	94.01%
	Director	MiTAC Holdings Corporation /Rep: Miao, Matthew Feng Chiang	99,749,000	94.01%
	Director/President	MiTAC Holdings Corporation/Rep: Steve Chang	99,749,000	94.01%
	Supervisor	Tsu Fung InvestmentCorporation/Rep.: Crystal Yang	1,000	0%
Tsu Fung Investment Corporation	Chairman	MiTAC International Corp./Rep: Ho, Jhi-Wu	142,884,651	100%
	Director	MiTAC International Corp./Rep: Huang, Hsiu-Ling	142,884,651	100%
Silver Star Developments Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
MiTAC Japan Corp.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
	Director/ President	Toshihiko Hara	0	0%
	Supervisor	Hsiu-Ling Huang	0	0%
MiTAC Benelux N.V.	Director	Ho Jhi-Wu	0	0%
	Director	Chang Le-Chun	0	0%
	Director	Yang Hsiang-Yun	0	0%
	General magager	Ferdi.Lor	0	0%
MiTAC Pacific (H.K.) Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
Pacific China Corp.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
MiTAC Star Service Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
Software Insights Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
MiTAC Computer (KunShan) Co., Ltd.	Chairman	MiTAC Investment Holding Ltd./Rep: Steve Chang	N/A	100%
	Vice chairman	MiTAC Investment Holding Ltd./Rep: J.J.Huang	N/A	100%
	Director	MiTAC Investment Holding Ltd./Rep: Lin Wen-Feng	N/A	100%
	Director/President	MiTAC Investment Holding Ltd./Rep: Wu, Shun-Huang	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
MiTAC Computer (Shunde) Ltd.	Chairman	MiTAC Star Service Ltd./Rep: Michael Lin	N/A	100%
	Vice chairman	MiTAC Star Service Ltd./Rep: J.J. Huang	N/A	100%
	Director/President	MiTAC Star Service Ltd./Rep: Chen, Chien-Hung	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
MiTAC Research (ShangHai) Ltd.	Chairman	Software Insights Ltd./Rep: Ho, Jhi-Wu	N/A	100%
	Director	Software Insights Ltd./Rep: Michael Lin	N/A	100%
	Director	Software Insights Ltd./Rep: Steve Chang	N/A	100%
	President	Chang, Wen-Chien	N/A	0%
	Supervisor	Cheng, Hsiao-Wen	N/A	0%
Start Well Technology Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
MiTAC Technology (KunShan) Co., Ltd.	Chairman	MiTAC Investment Holding Ltd./Rep: J.J.Huang	N/A	100%
	Director/President	MiTAC Investment Holding Ltd./Rep: Chen, Chi-Ming	N/A	100%
	Director	MiTAC Investment Holding Ltd./Rep: Chang Wen-Chien	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
Mio International Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
Huge Extent Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%

Enterprise name	Title	Name or representative	Shareholding	
			Shares held	Shareholding percentage
MiTAC Australia Pty Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
	Director	Wendy Hammond	0	0%
MiTAC Europe Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Chang Le-Chun	0	0%
	Director	Yang Hsiang-Yun	0	0%
Mio Technology Ltd.	Chairman	Mio International Ltd./Rep: Steve Chang	N/A	100%
	Director/President	Mio International Ltd./Rep: Chao Chin	N/A	100%
	Director	Mio International Ltd./Rep: Chang, Wen-Chien	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
Tyan Computer Corp.( USA)	Director	Ho Jhi-Wu	0	0%
	Director	Lin Chung-Liang	0	0%
MiTAC Logistic Service (KunShan) Ltd.	Chairman	MiTAC Investment Holding Ltd./Rep: Steve Chang	N/A	100%
	Director/President	MiTAC Investment Holding Ltd./Rep: Wu, Shun-Huang	N/A	100%
	Director	MiTAC Investment Holding Ltd./Rep: Lin Wen-Feng	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
MiTAC Digital Corp.	Director	Ho Jhi-Wu	0	0%
	Director	Chang Le-Chun	0	0%
	Director	Yang Hsiang-Yun	0	0%
MiTAC Information Systems Corp.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
	Director	Lin Chung-Liang	0	0%
	Director/President	Charlotte C. Y. Chou	0	0%
MiTAC Innovation (KunShan) Ltd.	Chairman	Software Insights Ltd./Rep: Steve Chang	N/A	100%
	Director/President	Software Insights Ltd./Rep.: Chang, Wen-Chien	N/A	100%
	Director	Software Insights Ltd./Rep: Lin Wen-Feng	N/A	100%
	Supervisor	Cheng, Hsiao-Wen	N/A	0%
MiTAC Telematics Technology Corporation	Chairman/President	MiTAC Computing Technology Corp../Rep: Chen, Chien-Hung	N/A	100%
	Director	MiTAC Computing Technology Corp./Rep: J.J. Huang	N/A	100%
	Director	MiTAC Computing Technology Corp./Rep: Michale Lin	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
MiTAC Technology UK Ltd.	Director	MiTAC Computing Technology Corp../Rep: Ho, Jhi-Wu	55,146,138	100%
	Director	MiTAC Computing Technology Corp./Rep: Michale Lin	55,146,138	100%
	Director	MiTAC Computing Technology Corp./Rep: Crystal Yang	55,146,138	100%
MiTAC Information Systems (KunShan) Co., Ltd.	Chairman	MiTAC Investment Holding Ltd./Rep: Steve Chang	N/A	100%
	Vice chairman	MiTAC Investment Holding Ltd./Rep: J.J. Huang	N/A	100%
	Director	MiTAC Investment Holding Ltd./Rep: Lin Wen-Feng	N/A	100%
	Director/President	MiTAC Investment Holding Ltd./Rep: Wu, Shun-Huang	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
MiTAC Investment Holding Ltd.	Chairman	Start Well Technology Ltd./Rep.: Ho, Jhi-Wu	N/A	100%
	Director	Start Well Technology Ltd./Rep: Steve Chang	N/A	100%
	Director/President	Start Well Technology Ltd./Rep.: J. J. Huang	N/A	100%
	Director	Start Well Technology Ltd./Rep: Wu, Shun-Huang	N/A	100%
	Supervisor	Huang, Hsiu-Ling	N/A	0%
Access Wisdom Holdings Ltd.	Director	Ho Jhi-Wu	0	0%
	Director	Yang Hsiang-Yun	0	0%
	Director	Chang Le-Chun	0	0%

## 6.Operation summary of affiliates

Unit: In thousands of New Taiwan Dollars

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Revenue	Operating income (loss)	Earnings in current period (after tax)	EPS (dollar)(after tax)
MiTAC International Corp.	40,994,343	83,969,629	22,956,155	61,013,474	221,512	(233,000)	1,837,616	0.45
Tsu Fung Investment Corporation	1,428,847	4,423,025	11,353	4,411,672	153,290	150,023	153,607	1.08
Silver Star Developments Ltd.-Consolidated	5,365,669	48,731,773	3,221,205	45,510,568	11,365,158	(280,971)	(80,531)	(0.46)
MiTAC Japan Corp.	10,860	142,221	90,479	51,742	283,368	5,539	3,864	3,864.00
MiTAC Benelux N.V.	54,986	95,060	71,972	23,088	6	(2,122)	(6,485)	(99.39)
MiTAC Pacific (H.K.) Ltd.	307	7,277	3,609	3,668	0	(237)	20	2.00
Pacific China Corp.	2,736,399	2,837,916	0	2,837,916	0	0	1	0.00
MiTAC Computer (Shunde) Ltd.	1,803,085	4,620,152	1,896,989	2,723,163	6,535,557	(132,431)	(82,061)	NA
Start Well Technology Ltd.	910,007	2,921,714	931,332	1,990,382	0	0	2	0.00
MiTAC Computer (KunShan) Co., Ltd.	1,170,475	2,794,743	1,043,367	1,751,376	3,975,163	(34,507)	11,257	NA
Software Insights Ltd.	158,265	133,502	0	133,502	0	0	1	0.00
MiTAC Star Service Ltd.	1,357,424	1,374,843	0	1,374,843	0	0	13	0.00
MiTAC Technology (KunShan)Co., Ltd.	35,815	64	0	64	0	(87)	15,655	NA
Mio International Ltd.	39,149	85,139	0	85,139	0	0	1,275	1.00
MiTAC Research (ShangHai) Ltd.	158,104	491,050	51,759	439,291	207,604	(42,007)	(33,327)	NA
Huge Extent Ltd.	243,480	243,480	0	243,480	0	0	0	0.00
MiTAC Australia Pty Ltd.	126,349	148,656	153,342	(4,686)	185,109	(5,291)	(5,660)	(0.94)
MiTAC Europe Ltd.	639,844	234,091	19,133	214,958	110,543	11,432	15,417	0.89
Tyan Computer Corporation-USA	121,295	606,087	79,007	527,080	769,873	(119,421)	(104,951)	(104,951.00)
Mio Technology Ltd.	8,125	87,811	50,719	37,092	94,449	49	1,182	NA
MiTAC Logistic Service (KunShan) Ltd.	29,513	87,623	46,422	41,201	265,527	(763)	58	NA
MiTAC Digital Corp.	1,381,725	271,096	64,718	206,378	253,569	6,058	10,378	0.23
MiTAC Information Systems Corp.	767,625	14,324,014	13,996,581	327,433	14,093,604	52,540	48,485	16,161.67
MiTAC Innovation (KunShan) Ltd.	28,431	101,921	14,164	87,757	69,577	3,475	4,477	NA
MiTAC Computing Technology Corp.	2,327,571	11,832,457	8,903,288	2,929,169	15,734,022	447,859	92,363	0.40
MiTAC Telematics Technology Corporation	8,654	23,999	13,371	10,628	2,532	(6,593)	(6,505)	NA
MiTAC Technology UK Ltd.	1,693,262	861,527	68,122	793,405	0	(14)	(56,481)	(1.02)
MiTAC Information Systems (KunShan) Co., Ltd.	1,947,150	2,026,296	377,702	1,648,594	519,594	(79,010)	(68,810)	NA
MiTAC Investment Holding Ltd.	2,939,297	3,642,208	7,734	3,634,474	67,788	(6,089)	(54,161)	NA
MiTAC Digital Technology Corporation	1,061,000	4,477,225	2,769,469	1,707,756	4,698,593	95,071	123,431	1.16
Access Wisdom Holdings Ltd.	1,489,193	249,577	33,831	215,746	0	(1)	15,427	0.32

Note 1: Related figures of the subsidiaries incorporated in foreign countries shall be denominated in NTD at the exchange rate between NTD and respective foreign currencies as of the day of reporting.

Note 2: The information on Silver Star Developments Ltd.-Consolidated is the consolidated information of this company and its subsidiaries.

Note 3: Based on the exchange rate of 2023

	Year-end	Average
USD:	30.705	31.155
EUR:	33.980	33.696
JPY:	0.217	0.222
RMB:	4.327	4.395
AUD:	20.980	20.687

(II) Consolidated financial statements of affiliates

MiTAC Holdings Corporation

Declaration of Consolidated Financial Statements of Affiliates

The companies that shall be included in the consolidated financial statements of affiliates in 2023 (from January 1, 2023 to December 31, 2023) under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are identical with the companies to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to IFRS 10. Furthermore, information for disclosure in the consolidated financial statements of the affiliates has also been disclosed in the aforementioned consolidated financial statements of the parent company and subsidiaries, and thereby it is not necessary to compile the consolidated financial statements of the affiliates.

Hereby declared

Company name: MiTAC Holdings Corporation

Chairman : Miao, Matthew Feng Chiang

February 23, 2024

(III) Affiliation report: None.

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

**III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the recent fiscal year up to the date of printing of the annual report:**

Unit: In thousands of New Taiwan Dollars; share/%

Name of subsidiaries	Paid-in capital	Fund source	Shareholding ratio of the Company	Acquisition or disposal Date	Number of shares acquired and amount	Number of shares disposed and amount	Investment income (loss)	Number of shares and amount holding as of the date of printing of the annual report	Creation of pledge	Endorsement and guarantee amount by the Company for subsidiaries	Loan amount to subsidiaries from the Company
Tsu Fung Investment Corporation	\$1,428,847	Own funds and borrowings	100%	2023 and as of the publication date of this annual report in 2024	-	9,250,594 shares \$327,099	-	-	None	-	-

**IV. Other matters that require additional description:** None.

**V. Events that caused significant influence on shareholders' equity or stock price pursuant to Subparagraph III, Paragraph II, Article 36 of the Securities and Exchanges Act in the most recent year to the date this report was printed:** None.

# **MiTAC Holdings Corporation**

## **Audit Committee's Review Report**

**The 2023 financial statements (January 1, 2023 to December 31, 2023) of MiTAC Holdings Corp. prepared by the Board of Directors have been audited by CPA Liu, Chien-Yu and CPA Li, Tien-Yi of PricewaterhouseCoopers (PwC), Taiwan. The Audit Committee has reviewed and considered the financial statements along with the 2023 business report and earning distribution plan compliant with the Company Act and related laws and regulations. We, therefore, prepare this report for your reference in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.**

**To:**

**2024 Annual General Meeting, MiTAC Holdings Corporation**

**MiTAC Holdings Corporation**

**Convener of Audit Committee: Lu, Shyude-Ching**

**February 23, 2024**

**MiTAC HOLDINGS CORPORATION AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2023 AND 2022**

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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.



MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Mitac Holding Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Mitac Holding Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Mitac Holding Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

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Matthew Feng-Chiang Miao

Chairman of MiTAC HOLDINGS CORPORATION

February 23, 2024

## INDEPENDENT AUDITORS' REPORT

PWCR23000526

To the Board of Directors and Shareholders of MiTAC Holdings Corporation

### ***Opinion***

We have audited the accompanying consolidated balance sheets of MiTAC Holdings Corporation and its 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 significant 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 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 Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Emphasis of matter***

We draw attention to Note 6(8) to the consolidated financial statements, which describes that during 2022, the Group's ownership in the associates, Concentrix Corp., was decreased and the Group lost significant influence over it. As a result, the Group recognised gains on disposal of investments amounting to NT\$9,027,054 thousand. Our opinion is not modified in respect of this matter.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, 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:

#### **Sales revenue recognition**

##### Description

For accounting policies on sales revenue recognition, please refer to Note 4(31). Considering that the sales revenue are material to its financial statements, the types of products and sales terms are various, the timing of revenue recognition can only be determined when the controls of ownership for products are transferred to the customers based on contract terms of each different customer. Thus, we identified the sales revenue recognition as a key audit matter.

##### How our audit addressed the matter

We conducted audit procedures, including: discussed with management and evaluated the policy of revenue recognition; assessed the effectiveness of design and implementation of internal controls over recognition of revenue; test sampled the sales transactions including their terms, performance obligations, and prices and verified the supporting documents for deliveries to ensure the proper timing and amounts of recognition; selected sales transactions for a specific period prior to and after the balance sheet date and verified transaction documents to ensure sales revenue are recorded in the proper period.

## **Valuation of inventory**

### Description

The Group is mainly engaged in manufacturing and selling computers, computer peripherals and communications products. Due to rapid technological innovations and fluctuations in market demands, there is a higher risk of inventory obsolescence. The Group's inventories are measured at the lower of costs and net realisable values. For a description of accounting policies on valuation of inventories, please refer to Note 4(14), and for uncertainty of accounting estimates and assumptions in relation to valuation of inventories, please refer to Note 5(2). Considering that the Group's inventories were material to the consolidated financial statements and with various categories, and the valuation process was subject to management's judgment, it was identified as a key audit matter.

### How our audit addressed the matter

We performed audit procedures, including: discussed with management and evaluated the policy of inventory valuation, validated inventory aging report through checking the logic of calculating aged inventories and confirming the appropriateness of categorization of aged inventories; and validated the basis in determining net realizable values of obsolete or slow-moving inventories in order to evaluate the reasonableness of allowance for inventory valuation losses.

## ***Other matter - Parent company only financial reports***

We have audited and expressed an unqualified opinion with emphasis of matter paragraph and an unqualified opinion with emphasis of matter paragraph and other matter paragraph on the parent company only financial statements of MiTAC Holdings Corporation as at and for the years ended December 31, 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and 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 audit committee, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences

of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Liu, Chien-Yu

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Li, Tien-Yi

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 23, 2024

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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.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,321,029	9	\$ 7,801,360	9
1110	Financial assets at fair value through profit or loss - current	6(2)	143,879	-	154,069	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	1,739,825	2	1,093,658	1
1136	Financial assets at amortised cost - current	6(4) and 8	895,873	1	280,400	-
1150	Notes receivable - net		34,865	-	40,992	-
1170	Accounts receivable - net	6(5) and 12(2)	4,050,024	5	7,728,310	9
1180	Accounts receivable - related parties - net	6(5), 7 and 12(2)	63	-	4,198	-
1200	Other receivables	6(6) and 7	7,143,010	8	158,303	-
1220	Current income tax assets		29,487	-	42,587	-
130X	Inventories	6(7)	8,929,545	10	9,244,866	11
1410	Prepayments		242,986	1	399,342	-
1470	Other current assets		8,893	-	17,631	-
Total current assets			31,539,479	36	26,965,716	30
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	39,190,794	44	40,920,994	48
1535	Financial assets at amortised cost - non-current	6(4) and 8	502,603	1	69,901	-
1550	Investments accounted for using equity method	6(8)	7,886,588	9	7,499,596	10
1600	Property, plant and equipment - net	6(9)	7,209,141	8	7,768,091	10
1755	Right-of-use assets	6(10) and 7	244,540	-	286,786	-
1760	Investment property - net	6(12)	1,209,728	1	1,230,077	1
1780	Intangible assets	6(13)	103,193	-	113,827	-
1840	Deferred income tax assets	6(31)	695,805	1	649,722	1
1900	Other non-current assets	6(18)	170,454	-	75,615	-
15XX	Total non-current assets		57,212,846	64	58,614,609	70
1XXX	Total assets		\$ 88,752,325	100	\$ 85,580,325	100

(Continued)



MITAC HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(14)	\$ 861,073	1	\$ 3,623,778	4
2120	Financial liabilities at fair value through profit or loss - current	6(15)	849	-	11,112	-
2130	Contract liabilities - current	6(24)	212,800	-	306,861	-
2170	Accounts payable		5,913,013	7	5,730,648	7
2180	Accounts payable - related parties	7	72,804	-	161,723	-
2200	Other payables	6(16) and 7	9,402,684	11	4,219,223	5
2230	Current income tax liabilities		1,274,510	1	905,201	1
2250	Provisions - current	6(19)	131,087	-	227,689	-
2280	Lease liabilities - current	7	29,040	-	41,731	-
2300	Other current liabilities	6(17)	445,629	1	471,788	1
21XX	<b>Total current liabilities</b>		<u>18,343,489</u>	<u>21</u>	<u>15,699,754</u>	<u>18</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(17)	581,665	1	437,694	1
2550	Provisions - non-current	6(19)	154,491	-	129,425	-
2570	Deferred income tax liabilities	6(31)	7,846,225	8	8,202,099	10
2580	Lease liabilities - non-current	7	103,154	-	127,358	-
2600	Other non-current liabilities		295,470	-	291,264	-
25XX	<b>Total non-current liabilities</b>		<u>8,981,005</u>	<u>9</u>	<u>9,187,840</u>	<u>11</u>
2XXX	<b>Total liabilities</b>		<u>27,324,494</u>	<u>30</u>	<u>24,887,594</u>	<u>29</u>
<b>Equity attributable to owners of parent</b>						
	Share capital	6(20)				
3110	Common shares		12,065,568	14	12,065,568	14
	Capital surplus	6(21)				
3200	Capital surplus		22,789,603	26	22,610,906	26
	Retained earnings	6(22)				
3310	Legal reserve		3,887,851	4	2,938,598	3
3350	Unappropriated retained earnings		19,271,079	22	20,434,720	24
	Other equity interest	6(23)				
3400	Other equity interest		3,310,848	4	2,754,695	4
3500	Treasury stocks	6(20)	-	-	(162,874)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>61,324,949</u>	<u>70</u>	<u>60,641,613</u>	<u>71</u>
36XX	<b>Non-controlling interests</b>		<u>102,882</u>	<u>-</u>	<u>51,118</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>61,427,831</u>	<u>70</u>	<u>60,692,731</u>	<u>71</u>
	Significant Contingent Liabilities And Unrecognised Contract Commitments	9(1)(2)				
	Significant Events After the Balance Sheet Date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 88,752,325</u>	<u>100</u>	<u>\$ 85,580,325</u>	<u>100</u>

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

**MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(24) and 7	\$ 35,536,013	100	\$ 47,832,957	100
5000 Operating costs	6(7) and 7	( 31,046,205)	( 87)	( 43,997,139)	( 92)
5900 Gross profit		<u>4,489,808</u>	<u>13</u>	<u>3,835,818</u>	<u>8</u>
Operating expenses	6(29) (30) 7 and 12(2)				
6100 Selling expenses		( 1,014,385)	( 3)	( 1,005,767)	( 2)
6200 General and administrative expenses		( 1,209,187)	( 3)	( 1,240,396)	( 3)
6300 Research and development expenses		( 2,502,831)	( 7)	( 2,504,501)	( 5)
6450 Expected credit loss (gain)		<u>304,300</u>	<u>1</u>	<u>( 273,844)</u>	<u>( 1)</u>
Total operating expenses		<u>( 4,422,103)</u>	<u>( 12)</u>	<u>( 5,024,508)</u>	<u>( 11)</u>
6900 Operating profit/(loss)		<u>67,705</u>	<u>1</u>	<u>( 1,188,690)</u>	<u>( 3)</u>
Non-operating income and expenses					
7100 Interest income	6(25)	144,287	-	102,799	-
7010 Other income	6(26) and 7	977,851	3	893,262	2
7020 Other gains and losses	6(27)	( 259,648)	-	10,177,057	21
7050 Finance costs	6(28) and 7	( 121,443)	-	( 107,715)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(8)	<u>1,192,508</u>	<u>3</u>	<u>1,461,403</u>	<u>3</u>
7000 Total non-operating income and expenses		<u>1,933,555</u>	<u>6</u>	<u>12,526,806</u>	<u>26</u>
7900 Profit before income tax		2,001,260	7	11,338,116	23
7950 Income tax expense	6(31)	<u>( 213,815)</u>	<u>( 1)</u>	<u>( 2,041,225)</u>	<u>( 4)</u>
8200 Profit for the year		<u>\$ 1,787,445</u>	<u>6</u>	<u>\$ 9,296,891</u>	<u>19</u>

(Continued)

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss) - net</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans	\$ 4,031	-	\$ 16,098	
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	( 1,736,468)	( 5)	( 963,157)	( 2)
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	18,910	-	48,067	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	( 806)	-	( 3,220)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	( 1,714,333)	( 5)	( 902,212)	( 2)
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements	1,948,350	6	1,981,207	6
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	( 62,004)	( 1)	38,674	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss	1,886,346	5	2,019,881	6
8300	<b>Other comprehensive income for the year</b>	\$ 172,013	-	\$ 1,117,669	4
8500	<b>Total comprehensive income for the year</b>	\$ 1,959,458	6	\$ 10,414,560	23
Profit , attributable to:					
8610	Owners of parent	\$ 1,783,630	6	\$ 9,294,214	19
8620	Non-controlling interests	\$ 3,815	-	\$ 2,677	-
Comprehensive income attributable to:					
8710	Owners of parent	\$ 1,955,763	6	\$ 10,411,003	23
8720	Non-controlling interests	\$ 3,695	-	\$ 3,557	-
9750	Basic earnings per share	\$ 1.48		\$ 7.76	
9850	Diluted earnings per share	\$ 1.46		\$ 7.75	

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

**MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent									
		Share capital- common shares	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Other equity interest		Treasury stocks	Total	Non-controlling interests	Total equity
						Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
<u>Year 2022</u>											
Balance at January 1, 2022		\$ 12,065,568	\$ 22,590,282	\$ 1,744,713	\$ 14,549,186	\$( 2,268,405)	\$ 4,116,843	\$ (239,876)	\$ 52,558,311	\$ 48,054	\$ 52,606,365
Profit for the year		-	-	-	9,294,214	-	-	-	9,294,214	2,677	9,296,891
Other comprehensive income (loss) for the year	6(23)	-	-	-	13,527	2,019,189	( 915,927)	-	1,116,789	880	1,117,669
Total comprehensive income (loss)		-	-	-	9,307,741	2,019,189	( 915,927)	-	10,411,003	3,557	10,414,560
Distribution of 2021 earnings	6(22)										
Legal reserve		-	-	1,193,885	( 1,193,885)	-	-	-	-	-	-
Cash dividends		-	-	-	( 2,413,114)	-	-	-	(2,413,114)	-	(2,413,114)
Subsidiaries change of associates accounted for using equity method	6(21)(23)	-	58,881	-	19,366	-	( 19,366)	-	58,881	-	58,881
Disposal of company's share by subsidiaries recognised as treasury share transactions	6(20)(21)	-	( 6,300)	-	-	-	-	77,002	70,702	-	70,702
Subsidiaries received cash dividends paid by the parent company	6(21)(33)	-	18,501	-	-	-	-	-	18,501	-	18,501
Disposal of investments accounted for using equity method	6(23)	-	( 50,927)	-	717	-	( 717)	-	( 50,927)	-	( 50,927)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	164,709	-	( 176,922)	-	( 12,213)	-	( 12,213)
Capital surplus - dividends unclaimed by the shareholders	6(21)	-	469	-	-	-	-	-	469	-	469
Cash dividends paid by subsidiaries to non-controlling interests	6(33)	-	-	-	-	-	-	-	-	( 493)	( 493)
Balance at December 31, 2022		\$ 12,065,568	\$ 22,610,906	\$ 2,938,598	\$ 20,434,720	\$( 249,216)	\$ 3,003,911	\$( 162,874)	\$ 60,641,613	\$ 51,118	\$ 60,692,731
<u>Year 2023</u>											
Balance at January 1, 2023		\$ 12,065,568	\$ 22,610,906	\$ 2,938,598	\$ 20,434,720	\$( 249,216)	\$ 3,003,911	\$( 162,874)	\$ 60,641,613	\$ 51,118	\$ 60,692,731
Profit for the year		-	-	-	1,783,630	-	-	-	1,783,630	3,815	1,787,445
Other comprehensive income (loss) for the year	6(23)	-	-	-	3,000	1,886,527	( 1,717,394)	-	172,133	( 120)	172,013
Total comprehensive income (loss)		-	-	-	1,786,630	1,886,527	( 1,717,394)	-	1,955,763	3,695	1,959,458
Distribution of 2022 earnings	6(22)										
Legal reserve		-	-	949,253	( 949,253)	-	-	-	-	-	-
Cash dividends		-	-	-	( 1,568,524)	-	-	-	( 1,568,524)	-	( 1,568,524)
Subsidiaries change of associates accounted for using equity method	6(21)(23)	-	-	-	-	-	-	-	-	-	-
Disposal of company's share by subsidiaries recognised as treasury share transactions	6(20)(21)	-	( 629)	-	37,585	-	( 37,585)	-	( 629)	-	( 629)
Subsidiaries received cash dividends paid by the parent company	6(21)(33)	-	164,225	-	( 11,377)	-	-	162,874	315,722	-	315,722
Disposal of investments accounted for using equity method	6(23)	-	12,026	-	-	-	-	-	12,026	-	12,026
Transactions with non-controlling interests	6(21)(22)	-	-	-	799	-	( 799)	-	-	-	-
Disposal of equity instruments measured at fair value through other comprehensive income		-	2,085	-	-	( 1,644)	-	-	441	53,700	54,141
Capital surplus - dividends unclaimed by the shareholders	6(21)	-	-	-	( 459,501)	-	427,048	-	( 32,453)	-	( 32,453)
Cash dividends paid by subsidiaries to non-controlling interests	6(33)	-	992	-	-	-	-	-	992	-	992
Reversal of capital surplus - dividends unclaimed by the subsidiary's shareholder	6(21)	-	-	-	-	-	-	-	-	( 5,631)	( 5,631)
Balance at December 31, 2023		\$ 12,065,568	\$ 22,789,603	\$ 3,887,851	\$ 19,271,079	\$ 1,635,667	\$ 1,675,181	\$ -	\$ 61,324,949	\$ 102,882	\$ 61,427,831

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,001,260	\$ 11,338,116
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(29)	1,033,192	1,063,120
Amortization	6(13)(29)	106,195	99,497
Provision of expected credit loss	12(2)	( 304,300)	273,844
(Gain) loss of financial assets/liabilities at fair value through profit or loss	6(27)	( 73)	9,473
Interest expense	6(28)	121,443	107,715
Interest income	6(25)	( 144,287)	( 102,799)
Dividend income	6(26)	( 738,126)	( 610,635)
Share of profit of associates accounted for using equity method	6(8)	( 1,192,508)	( 1,461,403)
Gain on disposal of property, plant and equipment	6(27)	( 4,623)	( 5,081)
Loss (gain) on disposal of investments	6(27)	1,317	( 10,093,261)
(Gain) loss on inventory market value decline	6(7)	( 1,147)	1,391,496
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease (increase) in notes receivable		5,486	( 38,924)
Decrease (increase) in accounts receivable		3,998,385	( 2,210,602)
Increase in other receivables		( 7,068,522)	( 80,940)
Decrease in inventories		301,047	1,686,361
Decrease in prepayments		154,386	350,396
Decrease in other current assets		8,868	1,049
Changes in operating liabilities			
Decrease in contract liabilities		( 91,494)	( 146,820)
Increase (decrease) in accounts payable		127,593	( 1,476,641)
Increase in other payables		5,290,216	466,695
(Decrease) increase in provisions for liabilities		( 72,785)	131,080
Decrease in other current liabilities		( 16,357)	( 109,125)
Decrease in accrued pension liabilities		( 3,060)	( 3,472)
Increase in other operating liabilities		183	268
Cash inflow generated from operations		3,512,289	579,407
Receipt of interest		125,469	100,205
Cash dividend received		1,483,272	1,466,959
Payment of interest		( 134,338)	( 95,635)
Payment of income tax		( 278,372)	( 299,002)
Net cash flows from operating activities		<u>4,708,320</u>	<u>1,751,934</u>

(Continued)

**MITAC HOLDINGS CORPORATION AND  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income		\$( 210,689)	\$( 178,010)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	1,631,210	300,535
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		16,432	13,615
(Increase) decrease in financial assets at amortised cost		( 1,069,529)	378,590
Acquisition of investments accounted for using equity method	7	-	( 188,295)
Proceeds from disposal of investments accounted for using equity method		-	1,911,442
prepayments for investments		( 25,000)	-
Proceeds from capital reduction of investments accounted for using equity method		3,418	119,074
Acquisition of property, plant and equipment	6(9)	( 472,764)	( 857,955)
Proceeds from disposal of property, plant and equipment		14,064	8,273
Decrease in refundable deposits		3,319	5
Acquisition of intangible assets	6(13)	( 95,574)	( 147,092)
Acquisition of investment properties	6(12)	( 1,793)	( 3,035)
other non-current assets		( 71,628)	-
Net cash flows (used in) from investing activities		<u>( 278,534)</u>	<u>1,357,147</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term loans	6(34)	( 2,744,150)	398,541
Proceeds from long-term debt	6(34)	404,363	58,538
Repayments of long-term debt	6(34)	( 263,991)	( 220,183)
Increase in guarantee deposits	6(34)	9,060	4,748
Repayments of lease liabilities	6(34)	( 44,781)	( 37,421)
Cash dividends paid	6(33)	( 1,562,129)	( 2,395,106)
Proceeds from sale of treasury shares	6(20)	327,099	70,702
Investments increased by non-controlling interest		54,141	-
Capital surplus - dividends unclaimed by the shareholders	6(21)	990	469
Net cash flows used in financing activities		<u>( 3,819,398)</u>	<u>( 2,119,712)</u>
Effects of changes in exchange rates		<u>( 90,719)</u>	<u>160,543</u>
Net increase in cash and cash equivalents		519,669	1,149,912
Cash and cash equivalents at beginning of year	6(1)	<u>7,801,360</u>	<u>6,651,448</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 8,321,029</u>	<u>\$ 7,801,360</u>

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

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) MiTAC Holdings Corporation (the “ Company”) was established by MiTAC International Corp. (“MiTAC International”) through a share conversion on September 12, 2013, and on the same date, the competent authority has approved for the Company’s shares to be listed on the Taiwan Stock Exchange (TWSE). MiTAC International became the Company’s wholly-owned subsidiary after conversion. The main business of the Company and its subsidiaries (collectively referred herein as the “ Group”) is to design, manufacture and sell products related to investments, computers and its peripherals and communications.
- (2) In order to promote specialization of work for transforming and improving overall competitiveness of the Group, the Board of Directors of its subsidiary, MiTAC International, has resolved to divest its cloud computing products group to the newly established company, MiTAC Computing Technology Corporation (collectively referred herein as the “ MiTAC Computing Technology”), as the consideration for the acquisition of 220,000 thousand newly issued ordinary shares of MiTAC Technology on the spin-off day, September 1, 2014. In addition, in 2017, the Board of Directors of MiTAC International has resolved to divest its mobile communication products group to the newly established company, MiTAC Digital Technology Corporation (collectively referred herein as the “MiTAC Digital Technology”), as the consideration for the acquisition of 100,000 thousand newly issued ordinary shares of MiTAC Digital Technology on the spin-off day, January 1, 2018. As a result, MiTAC International, MiTAC Computing Technology and MiTAC Digital Technology are the wholly-owned subsidiaries of the Company after the spin-off.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on February 23, 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 the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	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 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 effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	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 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:

<u>New Standards, Interpretations and Amendments</u>	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 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

These consolidated financial statements are prepared by the Group in accordance with the “Regulations Governing the Preparation of Financial Statements by Securities Issuers” and the 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, these consolidated financial statements have been prepared under the historical cost convention:

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

B. The preparation of financial statements in compliance 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 noncontrolling 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. 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:

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2023	December 31, 2022	
MiTAC Holdings Corp.	MiTAC International Corp.	Development, design, manufacturing and sales of computers and peripherals, communications and related products	100	100	

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2023	December 31, 2022	
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Development, design, manufacturing and sales of computers and peripherals, communications and related products	100	100	
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	94.01	97.17	Note 1
MiTAC International Corp.	Tsu Fung Investment Corp.	General investments	100	100	
MiTAC International Corp.	Silver Star Developments Ltd.	General investments	100	100	
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd.	General investments	100	100	
MiTAC Computing Technology Corp.	MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	100	100	
MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd.	General investments	100	100	
MiTAC Digital Technology Corp.	Mio International Ltd.	General investments	100	100	
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	0.001	0.001	
Silver Star Developments Ltd.	Pacific China Corp.	General investments	100	100	
Pacific China Corp.	MiTAC Star Service Ltd.	General investments	100	100	
Pacific China Corp.	Software Insights Ltd.	General investments	100	100	
Pacific China Corp.	Start Well Technology Ltd.	General investments	100	100	
Pacific China Corp.	Huge Extent Ltd.	General investments	100	100	
Access Wisdom Holdings Ltd.	MiTAC Europe Ltd.	Sales of automotive electronics, AIoT products	100	100	
MiTAC Technology UK Ltd.	Tyan Computer Corp.(USA)	Sales of computer peripherals , hardware/ software and related products	100	100	
MiTAC Technology UK Ltd.	MiTAC Information Systems Corp.	Assembling and sale of computer peripherals , hardware/software and related products	100	100	
MiTAC Europe Ltd.	MiTAC Digital Corp.	Sales of automotive electronics, AIoT products	100	100	
MiTAC Europe Ltd.	MiTAC Australia Pty Ltd.	Sales of automotive electronics, AIoT products	100	100	
Silver Star Developments Ltd.	MiTAC Japan Corp.	Sales of communication products, computer peripherals, hardware/software and related products and related after-sale services	100	100	
Silver Star Developments Ltd.	MiTAC Benelux N.V.	Sales of communication products and related after-sale services	100	100	
Silver Star Developments Ltd.	MiTAC Pacific (H.K.) Ltd.	Export and import trading services.	100	100	
Start Well Technology Ltd.	MiTAC Investment Holding Ltd.	General investments	69.70	69.70	
MiTAC Investment Holding Ltd.	MiTAC Computer (Kunshan) Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	100	100	
MiTAC Investment Holding Ltd.	MiTAC Technology (Kunshan) Co., Ltd.	Testing, maintenance and display of computer components and related technical advisory services and after-sale services	100	100	
MiTAC Investment Holding Ltd.	MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport,export and import trading and warehousing services.	100	100	
MiTAC Investment Holding Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	100	100	
MiTAC Star Service Ltd.	MiTAC Investment Holding Ltd.	General investments	30.30	30.30	

Investor	Subsidiary	Main activities	Ownership (%)		Remarks
			December 31, 2023	December 31, 2022	
MiTAC Star Service Ltd.	MiTAC Computer (Shunde) Corp.	Manufacture of computer frame, motherboard, interface card, display, power supply, keyboard, related metal stamping parts and plastic parts and maintenance of motherboard	100	100	
Software Insights Ltd.	MiTAC Research (Shanghai) Ltd.	Research, development of computer software and related technical advisory services	100	100	
Software Insights Ltd.	MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	100	100	
Mio International Ltd.	Mio Technology (Suzhou) Ltd.	Sales of automotive electronics, AIoT products	100	100	

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

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

(4) Foreign currency translation

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.

A. 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 retranslated 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, nonmonetary 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.

B. 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 for each balance sheet presented are translated at the spot 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.
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, 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. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (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. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) 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 realized, 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 realized 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 extended unconditionally to more than 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.
- (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 and financial liabilities at fair value through profit or loss
- A. Financial assets at amortized cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.
  - 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 and debt instruments which meet all of the following criteria:
    - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
    - (b) The assets' contractual cash flows represent solely payments of principal and interest.
  - 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. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

(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 debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost (including accounts receivable or contract assets that have a significant financing component, lease receivables, loan commitments and financial guarantee contracts), 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 the contractual rights to receive the cash flows from the financial asset expire.

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

A. The contractual rights of 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) Leasing arrangements(lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

- A. The perpetual inventory system is adopted for inventory recognition. Inventories are stated at standard cost, and adjusted at the end of reporting period to approximate them to the cost calculated on a weighted average method.
- B. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) 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 using the equity method' shall be adjusted for the increase or decrease. If the above condition causes a decrease in the Group'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. 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. 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.
- G. When the Group 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. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- 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 discarded assets is derecognised when critical repairs are incurred, and other repair expenses are charged to profit or loss for the period when they incur.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost 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 (included utility equipment)	5 ~ 55 years
Machinery and equipment	2 ~ 10 years
Transportation equipment	4 ~ 5 years
Leasehold improvements	2 ~ 5 years
Other equipment	2 ~ 10 years

(18) 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 lowvalue 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 the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

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 following:

- (a) The amount of the initial measurement of lease liability; and
- (b) Any lease payments made at or before the commencement date.

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.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 55 years.

(20) Intangible assets

The use right of computer software was capitalised based on the acquisition cost and cost to prepare the specific software to become usable. Computer software was amortized based on the contract or on a straight-line basis over 5 years.

(21) 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. 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 amortized historical cost would have been if the impairment had not been recognised.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and shortterm loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized 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.

(23) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, 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.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount 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 realize the asset and settle the liability simultaneously.

(26) Provisions

Provisions 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. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For 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 with the Group 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 high-quality corporate bonds 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; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, 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. If employee compensation is distributed by shares, the Company

calculates the numbers of shares based on the closing price at the previous day of the board meeting resolution.

(28) 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.
- 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. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 income tax asset is realized or the deferred income 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 utilized. 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 realize the asset and settle the liability simultaneously. Deferred income 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 realize the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) 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.

(31) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells cloud computing products and mobile communication 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 sales returns and sales discounts. The Group provides to customers the sales return right and sales discounts and recognises refund liability for expected sales discounts payable to customers in relation to sales by using the expected value method.
- (c) The Group's obligation to provide maintenance services 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. Sales of services

(a) The Group provides technology services and installment repairs and maintenance services. Revenue from providing services is recognised in the accounting period in which the services are rendered. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include multiple deliverables. Such services are accounted for as a single performance obligation as they are highly interrelated and indistinguishable.

C. Incremental costs of obtaining a contract

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The recognised asset is amortized on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates.

(32) 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.

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable 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 realizable value. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories is described in Note 6 (7).

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand and revolving funds	\$ 484	\$ 558
Checking accounts and demand deposits	3,574,106	4,304,403
Cash equivalents:		
Time deposits	4,166,439	3,416,399
Structured deposits	-	80,000
Repurchased bonds	580,000	-
Total	<u>\$ 8,321,029</u>	<u>\$ 7,801,360</u>

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. The Group has no cash and cash equivalents pledged to others.

### (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		
Beneficiary certificates	\$ 140,000	\$ 140,000
Derivatives	-	-
Subtotal	140,000	140,000
Valuation adjustment - Beneficiary certificates	2,351	681
Valuation adjustment - Derivatives	1,528	13,388
Total	<u>\$ 143,879</u>	<u>\$ 154,069</u>

A. The Group recognised net gain (loss) of \$(10,190) and \$(3,269) on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

Financial Instrument	December 31, 2023		
	Item	Notional Amount (in thousands)	Fair Market Value (in thousands)
MiTAC Computing Technology Corp. Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 3,000	1,528



	December 31, 2022				
Financial Instrument	Item	Notional Amount (in thousands)		Fair Market Value (in thousands)	
MiTAC Computing Technology Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	23,000		4,579
Forward foreign exchange - Buy	Advance booking JPY to sell USD	JPY	290,000		1,639
Forward foreign exchange swap - Sell	Advance booking USD to buy NTD	USD	31,000		840
MiTAC Digital Technology Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD	7,000		878
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	1,182		142
MiTAC Computer (Kunshan) Ltd.					
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	8,000	CNY	710
MiTAC Computer (Shunde) Corp.					
Forward foreign exchange - Sell	Advance booking USD to buy CNY	USD	5,000	CNY	495

- C. The Group has no financial assets at fair value through profit or loss pledged to others.
- 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:		
Listed stocks	\$ 764,112	\$ 764,112
Valuation adjustment	<u>975,713</u>	<u>329,546</u>
Total	<u>\$ 1,739,825</u>	<u>\$ 1,093,658</u>
Non-current items:		
Listed stocks	\$ 35,047,942	\$ 36,516,890
Emerging stocks	366,560	-
Unlisted stocks	<u>1,819,575</u>	<u>1,991,879</u>
Subtotal	37,234,077	38,508,769
Valuation adjustment	<u>1,956,717</u>	<u>2,412,225</u>
Total	<u>\$ 39,190,794</u>	<u>\$ 40,920,994</u>

- A. The Group recognised \$(1,736,468) and \$(963,157) in other comprehensive loss for fair value change for the years ended December 31, 2023 and 2022, respectively.
- B. The Group has elected to designate the above investments, which were held mainly for medium to long-term trading purposes, as investments in equity instruments measured at fair value through other comprehensive income. As of December 31, 2023 and 2022, the fair value of investments were \$40,930,619 and \$42,014,652, respectively.
- C. The Group sold \$1,631,210 of investments at fair value and resulted in decrease retained earnings amounting to \$427,048 during the fourth quarter of 2023; The Group sold \$300,535 of investments at fair value and resulted in increase in retained earnings amounting to \$176,922 during the first quarter of 2022.
- D. On July 20, 2022, the Group lost significant influence over Concentrix Corp., and

reclassified it from investment accounted for using equity method to financial asset at fair value through other comprehensive income based on the remeasurement at fair value amounting to \$16,525,140.

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits - over three months	\$ 34,800	\$ 34,800
Pledged deposits	<u>861,073</u>	<u>245,600</u>
	<u>\$ 895,873</u>	<u>\$ 280,400</u>
Non-current items:		
Pledged deposits	<u>\$ 502,603</u>	<u>\$ 69,901</u>

A. As of 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 amortised cost held by the Group were \$1,398,476 and \$350,301, respectively.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	December 31, 2023	December 31, 2022
Third parties	\$ 4,111,178	\$ 8,090,490
Less: Allowance for bad debts	<u>( 61,154)</u>	<u>( 362,180)</u>
	4,050,024	7,728,310
Related parties	<u>63</u>	<u>4,198</u>
	<u>\$ 4,050,087</u>	<u>\$ 7,732,508</u>

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 3,930,655	\$ 6,900,441
Up to 90 days	167,555	1,170,599
91 to 180 days	12,600	22,743
Over 181 days	<u>431</u>	<u>905</u>
	<u>\$ 4,111,241</u>	<u>\$ 8,094,688</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable were all from contracts with

customers. And as of January 1, 2022, the balance of accounts receivable from contracts with customers amounted to \$5,662,204.

- C. As of 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 Group's accounts receivable were \$4,050,087 and \$7,732,508, respectively.
- D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Other receivables

	December 31, 2023	December 31, 2022
Other receivables-purchasing raw materials on behalf of others	\$ 7,010,333	\$ -
Other receivables-others (include related parties)	132,677	158,303
Total	<u>\$ 7,143,010</u>	<u>\$ 158,303</u>

(7) Inventories

	December 31, 2023	December 31, 2022
	Book value	Book value
Raw materials	\$ 6,893,884	\$ 7,086,133
Work in process	444,942	622,899
Finished goods	1,590,719	1,535,834
Total	<u>\$ 8,929,545</u>	<u>\$ 9,244,866</u>

Expense and loss incurred on inventories:

	For the year ended December 31 2023	2022
Cost of goods sold	\$ 31,112,194	\$ 42,499,465
Non-cancellable contract loss (reversal)	( 64,842)	106,178
Loss (Gain) on (reversal of) decline in market value	( 1,147)	1,391,496
	<u>\$ 31,046,205</u>	<u>\$ 43,997,139</u>

(8) Investments accounted for using equity method

A.

<u>Investee company</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Getac Holdings Corp.	\$ 6,689,677	\$ 6,247,978
3 Probe Technology Co., Ltd.	9,891	12,732
Lian Jie Investment Co., Ltd.	213,416	266,863
Lian Jie II Investment Co., Ltd.	42,207	32,119
Shen-Tong Construction & Development Co., Ltd.	85,380	85,594
Mainpower International Ltd.	271,562	266,676
Suzhou MiTAC Preclusion Technology Co., Ltd.	412,806	406,276
Harbinger Ruyi Venture Ltd.	23,498	22,979
Harbinger Ruyi II Venture Ltd.	77,746	91,891
Infopower Technologies Ltd.	60,405	66,488
	<u>\$ 7,886,588</u>	<u>\$ 7,499,596</u>

B. The Group recognised its share of profit from associates accounted for using equity method for the years ended December 31, 2023 and 2022 amounting to \$1,192,508 and \$1,461,403, respectively, and recognised its share of other comprehensive income from associates accounted for using equity method amounting to \$(43,094) and \$86,741, respectively.

C. The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2023</u>	<u>December 31, 2022</u>		
Getac Holdings Corp.	Taiwan	31.22%	31.55%	Owned over 20% ownership	Equity method
Concentrix Corp.	USA	-%	-%	Note1	Equity method(Note1)

Note 1: Please refer to Note 6(8) I.

D. The summarized financial information of the associates that are material to the Group is as follows:

Balance sheet

	<u>Getac Holdings Corp.</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 27,537,351	\$ 23,668,790
Non-current assets	14,048,030	13,989,949
Current liabilities	( 14,050,738)	( 12,102,055)
Non-current liabilities	( 3,898,237)	( 3,864,413)
Non-controlling interest	( 2,208,790)	( 1,888,260)
Total net assets	<u>\$ 21,427,616</u>	<u>\$ 19,804,011</u>
Share in associate's net assets	<u>\$ 6,689,677</u>	<u>\$ 6,247,978</u>

Statement of comprehensive income

		Getac Holdings Corp.	
		For the year ended December 31	
		2023	2022
Revenue		\$ 34,792,558	\$ 32,476,133
Profit for the period from continuing operations		\$ 3,957,417	\$ 2,681,677
Other comprehensive (loss) income - net of tax		( 51,105)	973,003
Total comprehensive income		\$ 3,906,312	\$ 3,654,680
Dividends received from associate		\$ 720,391	\$ 683,486

		Concentrix Corp.	
		For the year ended December 31	
		2023	2022
Revenue		\$ -	\$ 89,163,629
Profit for the period from continuing operations		\$ -	\$ 6,049,845
Other comprehensive loss - net of tax		-	( 2,323,196)
Total comprehensive income		\$ -	\$ 3,726,649
Dividends received from associate		\$ -	\$ 70,951

Note :The Group lost significant influence over Concentrix Corp. since July 20, 2022.

Thus, only the financial information as of June 30, 2022 was disclosed.

- E. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$1,196,911 and \$1,251,618, respectively.

		For the year ended December 31	
		2023	2022
Profit for the period from continuing operations	\$	154,114	\$ 25,093
Other comprehensive (loss) income - net of tax	(	108,415)	( 103,168)
Total comprehensive income(loss)	\$	45,699	\$ ( 78,075)

- F. The fair value of the Group's material associates with quoted market prices is as follows:

	December 31, 2023	December 31, 2022
Getac Holdings Corp.	\$ 21,134,060	\$ 8,406,025

- G. The Group sold part of its ownership in Concentrix Corp. for proceeds of \$1,904,517 resulted in gains on disposal amounting to \$1,072,670 during the third quarter of 2022.
- H. The Group holds 13.28% ownership in Mainpower International Ltd. but has significant

influence over Mainpower International Ltd. as the Group serves as this company' s corporate director.

- I. The Group originally held 9.49% ownership in Concentrix Corp. but has significant influence over Concentrix Corp. as the Group is the major shareholder of Concentrix Corp. On July 20, 2022, the Group sold part of its ownership in Concentrix Corp. and resulted in a decrease in the ownership held by the Group and the Group lost significant influence over it. On the same day, the Group reclassified it from investments accounted for using equity method at book value to financial assets at fair value through other comprehensive income based on the remeasurement at fair value, and recognized the \$9,027,054 difference as gain from disposal of investments.
- J. Concentrix Corp.'s and Hyve Design Solutions Corporation's fiscal year ends on November 30, thus, the Group used the financial information from December 1, 2022 to August 31, 2023 as the basis for the preparation of third quarter consolidated financial statements; Infopower Technologies Ltd.'s fiscal year ends on March 31, thus, the Group used the financial information from January 1, 2023 to December 31, 2023 as the basis for the preparation of first quarter consolidated financial statements; other associates' fiscal year all end on December 31.
- K. The Group is the single largest shareholder of certain associates. Given that the Group has no majority voting rights, which indicates that the Group has no current ability to direct the decisions of relevant activities on meetings of their Board of Directors and shareholders after the comprehensive assessment. Thus, the Group has no control, but only has significant influence, over the associates.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
At January 1, 2023											
Cost	\$ 1,099,596	\$ 7,648,031	\$ 2,906,471	\$ 155,963	\$ 79,951	\$ 141,494	\$ 173,923	\$ 180,158	\$ 1,669,447	\$ 80,344	\$ 14,135,378
Accumulated depreciation and impairment	-	( 3,029,707)	( 1,956,269)	( 88,233)	( 58,450)	( 116,889)	( 72,869)	( 100,693)	( 944,177)	-	( 6,367,287)
	<u>\$ 1,099,596</u>	<u>\$ 4,618,324</u>	<u>\$ 950,202</u>	<u>\$ 67,730</u>	<u>\$ 21,501</u>	<u>\$ 24,605</u>	<u>\$ 101,054</u>	<u>\$ 79,465</u>	<u>\$ 725,270</u>	<u>\$ 80,344</u>	<u>\$ 7,768,091</u>
2023											
At January 1	\$ 1,099,596	\$ 4,618,324	\$ 950,202	\$ 67,730	\$ 21,501	\$ 24,605	\$ 101,054	\$ 79,465	\$ 725,270	\$ 80,344	\$ 7,768,091
Additions	-	34,562	129,030	45,286	5,312	7,915	5,229	73,363	126,792	45,275	472,764
Disposal	-	-	( 4,720)	( 1,635)	( 436)	( 87)	( 8)	-	( 2,555)	-	( 9,441)
Reclassifications	-	34,959	1,440	642	-	-	-	-	58,053	( 95,863)	( 769)
Depreciation	-	( 250,813)	( 291,187)	( 41,013)	( 9,775)	( 12,256)	( 29,247)	( 62,370)	( 267,047)	-	( 963,708)
Effects of foreign exchange	( 32)	( 37,473)	( 9,701)	( 142)	( 95)	( 368)	( 495)	-	( 9,202)	( 288)	( 57,796)
At December 31	<u>\$ 1,099,564</u>	<u>\$ 4,399,559</u>	<u>\$ 775,064</u>	<u>\$ 70,868</u>	<u>\$ 16,507</u>	<u>\$ 19,809</u>	<u>\$ 76,533</u>	<u>\$ 90,458</u>	<u>\$ 631,311</u>	<u>\$ 29,468</u>	<u>\$ 7,209,141</u>
At December 31, 2023											
Cost	\$ 1,099,564	\$ 7,631,412	\$ 2,749,842	\$ 180,176	\$ 74,205	\$ 126,990	\$ 159,721	\$ 165,108	\$ 1,731,333	\$ 29,468	\$ 13,947,819
Accumulated depreciation and impairment	-	( 3,231,853)	( 1,974,778)	( 109,308)	( 57,698)	( 107,181)	( 83,188)	( 74,650)	( 1,100,022)	-	( 6,738,678)
	<u>\$ 1,099,564</u>	<u>\$ 4,399,559</u>	<u>\$ 775,064</u>	<u>\$ 70,868</u>	<u>\$ 16,507</u>	<u>\$ 19,809</u>	<u>\$ 76,533</u>	<u>\$ 90,458</u>	<u>\$ 631,311</u>	<u>\$ 29,468</u>	<u>\$ 7,209,141</u>

Note: In 2023, the Group reclassified property, plant and equipment as investment property amounting to \$769 .

	Land	Buildings and structures	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
At January 1, 2022											
Cost	\$ 1,080,283	\$ 7,647,461	\$ 2,963,363	\$ 203,234	\$ 71,571	\$ 193,499	\$ 177,036	\$ 169,253	\$ 1,354,660	\$ 180,388	\$ 14,040,748
Accumulated depreciation and impairment	-	( 2,985,173)	( 1,898,919)	( 134,443)	( 51,317)	( 168,024)	( 86,763)	( 82,376)	( 848,509)	-	( 6,255,524)
	<u>\$ 1,080,283</u>	<u>\$ 4,662,288</u>	<u>\$ 1,064,444</u>	<u>\$ 68,791</u>	<u>\$ 20,254</u>	<u>\$ 25,475</u>	<u>\$ 90,273</u>	<u>\$ 86,877</u>	<u>\$ 506,151</u>	<u>\$ 180,388</u>	<u>\$ 7,785,224</u>
<u>2022</u>											
At January 1	\$ 1,080,283	\$ 4,662,288	\$ 1,064,444	\$ 68,791	\$ 20,254	\$ 25,475	\$ 90,273	\$ 86,877	\$ 506,151	\$ 180,388	\$ 7,785,224
Additions	-	51,325	328,642	36,929	11,538	12,974	43,625	74,778	184,512	113,632	857,955
Disposal	-	( 1,066)	-	( 79)	( 12)	( 8)	( 867)	-	( 1,160)	-	( 3,192)
Reclassifications	-	76,811	( 114,255)	-	-	-	1,278	-	255,953	( 219,787)	-
Depreciation	-	( 247,971)	( 342,863)	( 38,234)	( 10,355)	( 14,140)	( 34,156)	( 82,190)	( 224,686)	-	( 994,595)
Effects of foreign exchange	<u>19,313</u>	<u>76,937</u>	<u>14,234</u>	<u>323</u>	<u>76</u>	<u>304</u>	<u>901</u>	<u>-</u>	<u>4,500</u>	<u>6,111</u>	<u>122,699</u>
At December 31	<u>\$ 1,099,596</u>	<u>\$ 4,618,324</u>	<u>\$ 950,202</u>	<u>\$ 67,730</u>	<u>\$ 21,501</u>	<u>\$ 24,605</u>	<u>\$ 101,054</u>	<u>\$ 79,465</u>	<u>\$ 725,270</u>	<u>\$ 80,344</u>	<u>\$ 7,768,091</u>
At December 31, 2022											
Cost	\$ 1,099,596	\$ 7,648,031	\$ 2,906,471	\$ 155,963	\$ 79,951	\$ 141,494	\$ 173,923	\$ 180,158	\$ 1,669,447	\$ 80,344	\$ 14,135,378
Accumulated depreciation and impairment	-	( 3,029,707)	( 1,956,269)	( 88,233)	( 58,450)	( 116,889)	( 72,869)	( 100,693)	( 944,177)	-	( 6,367,287)
	<u>\$ 1,099,596</u>	<u>\$ 4,618,324</u>	<u>\$ 950,202</u>	<u>\$ 67,730</u>	<u>\$ 21,501</u>	<u>\$ 24,605</u>	<u>\$ 101,054</u>	<u>\$ 79,465</u>	<u>\$ 725,270</u>	<u>\$ 80,344</u>	<u>\$ 7,768,091</u>



(10) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and structures, machinery, office equipment and transportation equipment. Rental contracts are typically made for periods of 1 to 50 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.
- B. Certain leased buildings with lease terms under 12 months are short-term lease agreements. Additionally, the leased office equipment were low-value assets.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 204,320	\$ 217,586
Buildings and structures	40,094	68,376
Machinery	126	376
Transportation equipment	-	448
	<u>\$ 244,540</u>	<u>\$ 286,786</u>

	For the year ended December 31 2023	For the year ended December 31 2022
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 10,997	\$ 11,023
Buildings and structures	32,853	31,478
Machinery	249	249
Transportation equipment	448	1,345
	<u>\$ 44,547</u>	<u>\$ 44,095</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$5,086 and \$4,992, respectively.

- E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the year ended December 31 2023	For the year ended December 31 2022
Interest expense on lease liabilities	\$ 2,291	\$ 2,859
Expense on short-term lease contracts	13,172	15,132
Expense on leases of low-value assets	1,431	3,214
	<u>\$ 16,894</u>	<u>\$ 21,205</u>

- F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases was \$61,675 and \$58,626, respectively.

(11) Leasing arrangements — lessor

- A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods of 1 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amounts of \$125,339 and \$123,490, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
Not later than one year	\$ 124,018	\$ 107,649
Later than one year but not later than five years	146,430	78,620
Over five years	9,861	-
	<u>\$ 280,309</u>	<u>\$ 186,269</u>

(12) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2023</u>			
Cost	\$ 953,833	\$ 654,122	\$ 1,607,955
Accumulated depreciation and impairment	-	( 377,878)	( 377,878)
	<u>\$ 953,833</u>	<u>\$ 276,244</u>	<u>\$ 1,230,077</u>
<u>2023</u>			
At January 1	\$ 953,833	\$ 276,244	\$ 1,230,077
Additions	-	1,793	1,793
Reclassifications	-	769	769
Depreciation	-	( 24,937)	( 24,937)
Effects of foreign exchange	549	1,477	2,026
At December 31	<u>\$ 954,382</u>	<u>\$ 255,346</u>	<u>\$ 1,209,728</u>
<u>At December 31, 2023</u>			
Cost	\$ 954,382	\$ 656,766	\$ 1,611,148
Accumulated depreciation and impairment	-	( 401,420)	( 401,420)
	<u>\$ 954,382</u>	<u>\$ 255,346</u>	<u>\$ 1,209,728</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1, 2022			
Cost	\$ 953,224	\$ 640,908	\$ 1,594,132
Accumulated depreciation and impairment	<u>-</u>	<u>( 347,771)</u>	<u>( 347,771)</u>
	<u>\$ 953,224</u>	<u>\$ 293,137</u>	<u>\$ 1,246,361</u>
<u>2022</u>			
At January 1	\$ 953,224	\$ 293,137	\$ 1,246,361
Additions	-	3,035	3,035
Depreciation	-	( 24,430)	( 24,430)
Effects of foreign exchange	<u>609</u>	<u>4,502</u>	<u>5,111</u>
At December 31	<u>\$ 953,833</u>	<u>\$ 276,244</u>	<u>\$ 1,230,077</u>
At December 31, 2022			
Cost	\$ 953,833	\$ 654,122	\$ 1,607,955
Accumulated depreciation and impairment	<u>-</u>	<u>( 377,878)</u>	<u>( 377,878)</u>
	<u>\$ 953,833</u>	<u>\$ 276,244</u>	<u>\$ 1,230,077</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Rental income from the lease of the investment property	<u>\$ 38,167</u>	<u>\$ 31,580</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 27,132</u>	<u>\$ 27,089</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 8,811</u>	<u>\$ 12,575</u>

B. The fair value of the investment property held by the Group on December 31, 2023 and 2022 were \$3,813,033 and \$3,739,570, respectively, which were revalued by independent appraisers and with reference to market transaction prices. Valuations were made using the market approach which is categorised within Level 3 in the fair value hierarchy.

(13) Intangible assets

	Computer software	
	2023	2022
At January 1		
Cost	\$ 337,320	\$ 271,299
Accumulated amortization and impairment	( 223,493)	( 205,099)
	<u>\$ 113,827</u>	<u>\$ 66,200</u>
At January 1	\$ 113,827	\$ 66,200
Additions	95,574	147,092
Amortization	( 106,195)	( 99,497)
Effects of foreign exchange	( 13)	32
At December 31	<u>\$ 103,193</u>	<u>\$ 113,827</u>
At December 31		
Cost	\$ 289,843	\$ 337,320
Accumulated amortization and impairment	( 186,650)	( 223,493)
	<u>\$ 103,193</u>	<u>\$ 113,827</u>

Details of amortisation of intangible assets are as follows:

	For the year ended December 31	
	2023	2022
Operating costs	\$ 566	\$ 1,325
Selling expenses	13,526	12,736
Administrative expenses	31,014	22,556
Research and development expenses	<u>61,089</u>	<u>62,880</u>
	<u>\$ 106,195</u>	<u>\$ 99,497</u>

(14) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ -	\$ 3,378,178
Secured bank borrowings	<u>861,073</u>	<u>245,600</u>
	<u>\$ 861,073</u>	<u>\$ 3,623,778</u>
Interest rates	1.71%~1.86%	3.07%~5.1%

(15) Financial liabilities at fair value through profit or loss

Item	December 31, 2023	December 31, 2022
Current items :		
Valuation adjustment - Derivatives	\$ <u>849</u>	\$ <u>11,112</u>

A. The Group recognised net gain (loss) of \$10,263 and \$(6,204) for the years ended December 31, 2023 and 2022, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

Financial Instrument	Item	December 31, 2023	
		Notional Amount (in thousands)	Fair Market Value (in thousands)
MiTAC Digital Technology Corp. Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD 1,100	( 849)
Financial Instrument	Item	December 31, 2022	
		Notional Amount (in thousands)	Fair Market Value (in thousands)
MiTAC Computing Technology Corp. Forward foreign exchange - Sell	Advance booking USD to buy NTD	USD 34,000	( 5,338)
Forward foreign exchange swap - Sell	Advance booking USD to buy NTD	USD 3,000	( 105)
Forward foreign exchange - Buy	Advance booking USD to sell JPY	USD 700	( 2,462)
MiTAC Digital Technology Corp. Forward foreign exchange - Sell	Advance booking USD to buy JPY	USD 1,000	( 192)
Forward foreign exchange - Buy	Advance booking JPY to sell USD	JPY 450	( 970)
Forward foreign exchange - Sell	Advance booking CNY to buy USD	CNY 1,390	( 337)
MiTAC Computer (Kunshan) Ltd. Forward foreign exchange swap - Sell	Advance booking EUR to buy USD	3,000	( 15)
Silver Star Developments Ltd. Forward foreign exchange - Buy	Advance booking JPY to sell USD	EUR 2,000	( 1,642)

(16) Other payables

	December 31, 2023	December 31, 2022
Other payables-purchasing raw materials on behalf of others	\$ 5,341,931	\$ -
Salary and bonus payable	787,990	896,255
Expense payable and Other payables-others (including related parties)	<u>3,272,763</u>	<u>3,322,968</u>
Total	\$ <u>9,402,684</u>	\$ <u>4,219,223</u>

(17) Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 437,694	\$ 701,685
Secured bank borrowings	398,084	-
Less: Current portion(shown as "other current liabilities")	( 254,113)	( 263,991)
Total	<u>\$ 581,665</u>	<u>\$ 437,694</u>
Interest rate range (Note)	1.20%-2.8%	1.075%-1.125%
Expiry date	113.10.15~115.10.15	113.10.15~115.10.15

Note: The abovementioned interest rates are the interest rates after obtaining the government project grants.

(18) Pensions

A. Defined benefit plans

(a) The Company's domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, 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's domestic subsidiaries contribute monthly an amount equal to 2% 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's domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company's domestic subsidiaries will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ ( 495,538)	\$ ( 514,480)
Fair value of plan assets	<u>252,808</u>	<u>264,552</u>
Net defined benefit liability	<u>\$ ( 242,730)</u>	<u>\$ ( 249,928)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2023			
Balance at January 1	\$( 514,480)	\$ 264,552	\$( 249,928)
Current service cost	( 1,835)	-	( 1,835)
Interest (expense) income	( 6,720)	3,316	( 3,404)
	<u>( 523,035)</u>	<u>267,868</u>	<u>( 255,167)</u>
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	2,358	2,358
Change in financial assumptions	( 3,942)	-	( 3,942)
Experience adjustments	<u>5,615</u>	<u>-</u>	<u>5,615</u>
	<u>1,673</u>	<u>2,358</u>	<u>4,031</u>
Pension fund contribution	-	6,779	6,779
Paid pension	<u>25,824</u>	<u>( 24,197)</u>	<u>1,627</u>
Balance at December 31	<u>\$( 495,538)</u>	<u>\$ 252,808</u>	<u>\$( 242,730)</u>
	<u>Present value of defined benefit</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
2022			
Balance at January 1	\$( 542,371)	\$ 272,748	\$( 269,623)
Current service cost	( 2,232)	-	( 2,232)
Interest (expense) income	( 3,390)	1,731	( 1,659)
	<u>( 547,993)</u>	<u>274,479</u>	<u>( 273,514)</u>
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	21,685	21,685
Change in financial assumptions	19,852	-	19,852
Experience adjustments	<u>( 25,439)</u>	<u>-</u>	<u>( 25,439)</u>
	<u>( 5,587)</u>	<u>21,685</u>	<u>16,098</u>
Pension fund contribution	-	7,488	7,488
Paid pension	<u>39,100</u>	<u>( 39,100)</u>	<u>-</u>
Balance at December 31	<u>\$( 514,480)</u>	<u>\$ 264,552</u>	<u>\$( 249,928)</u>

(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 utilization plan and the “ Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization 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 securitization products, etc.). With regard to the utilization 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 authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset 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 Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

i. MiTAC International Corp. :

	2023	2022
Discount rate	1.125%	1.125%
Future salary increase	2.250%	2.250%

ii. MiTAC Computing Technology Corp. :

	2023	2022
Discount rate	1.250%	1.375%
Future salary increase	2.250%	2.250%

iii. MiTAC Digital Technology Corp. :

	2023	2022
Discount rate	1.250%	1.375%
Future salary increase	2.250%	2.250%

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:



i. MiTAC International Corp. :

	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	\$ <u>1,620</u>	\$ <u>(1,659)</u>	\$ <u>(1,616)</u>	\$ <u>1,585</u>
December 31, 2022				
Effect on present value of defined benefit obligation	\$ <u>1,809</u>	\$ <u>(1,857)</u>	\$ <u>(1,807)</u>	\$ <u>1,769</u>

ii. MiTAC Computing Technology Corp. :

	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	\$ <u>5,468</u>	\$ <u>(5,642)</u>	\$ <u>(5,485)</u>	\$ <u>5,343</u>
December 31, 2022				
Effect on present value of defined benefit obligation	\$ <u>5,747</u>	\$ <u>(5,941)</u>	\$ <u>(5,781)</u>	\$ <u>5,621</u>

iii. MiTAC Digital Technology Corp. :

	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	\$ <u>2,356</u>	\$ <u>(2,433)</u>	\$ <u>(2,364)</u>	\$ <u>2,301</u>
December 31, 2022				
Effect on present value of defined benefit obligation	\$ <u>2,658</u>	\$ <u>(2,750)</u>	\$ <u>(2,675)</u>	\$ <u>-</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. 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 method and assumptions used for the preparation of sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Company's domestic subsidiaries for the next 12 months of September 30, 2023 amount to \$6,384.
- (g) As of December 31, 2023, the weighted average duration of that retirement plan is 5.4~9 years.

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 and its domestic subsidiaries contribute 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 Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentages of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$238,199 and \$240,284, respectively.

(19) Provisions

	<u>Warranty reserve</u>	<u>Non-cancellable contract reserve</u>	<u>Total</u>
At January 1, 2023	\$ 248,116	\$ 108,998	\$ 357,114
Additional provisions (reversed)	83,825	( 64,842)	18,983
Used during the period	( 91,768)	-	( 91,768)
Effects of foreign exchange	111	1,138	1,249
At December 31, 2023	<u>\$ 240,284</u>	<u>\$ 45,294</u>	<u>\$ 285,578</u>
Current	85,793	45,294	131,087
Non-current	<u>154,491</u>	<u>-</u>	<u>154,491</u>
Total	<u>\$ 240,284</u>	<u>\$ 45,294</u>	<u>\$ 285,578</u>

	<u>Warranty reserve</u>	<u>Non-cancellable contract reserve</u>	<u>Total</u>
At January 1, 2022	\$ 223,423	\$ -	\$ 223,423
Additional provisions (reversed)	112,417	106,178	218,595
Used during the period	( 87,515)	-	( 87,515)
Effects of foreign exchange	( 209)	2,820	2,611
At December 31, 2022	<u>\$ 248,116</u>	<u>\$ 108,998</u>	<u>\$ 357,114</u>
Current	85,793	45,294	131,087
Non-current	<u>154,491</u>	<u>-</u>	<u>154,491</u>
Total	<u>\$ 240,284</u>	<u>\$ 45,294</u>	<u>\$ 285,578</u>

(20) Share capital

A. As of December 31, 2023, the Company’s authorised capital was \$15,000,000, consisting

of 1.5 billion shares, and the paid-in capital was \$12,065,568 with a par value of \$10 dollars per share. Movements in the number of the Company's ordinary shares outstanding are as follows:

	Unit: in thousands of shares	
	2023	2022
Outstanding shares as of January 1	1,197,306	1,195,178
Disposal of the Company's treasury share by subsidiaries	9,250	2,128
Outstanding shares as of December 31	<u>1,206,556</u>	<u>1,197,306</u>

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

As of December 31, 2023: None.

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares (shares in thousands)	Book value
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) In accordance with the "Rule No. Financial-Supervisory-Commission, Securities and Futures Bureau, 1010047490," the Company shall not appropriate special reserve proportionately to the shareholding ratio for the difference of ending market price below the carrying amount of the parent company's stock held by the subsidiaries. If the market price reverses subsequently, the reversal amount shall be appropriated as special reserve proportionately to the shareholding ratio.

- (f) For the year ended December 31, 2023, Tsu Fung Investment Corp. disposed 9,250 thousand shares of the Company amounting to \$327,099; For the year ended December 31, 2022, the subsidiary, SSDL disposed 2,128 thousand shares of the Company amounting to \$70,702.

(21) Capital surplus

	Share premium	Treasury stock transactions	Net equity of associates and joint ventures accounted for using equity method	Changes in ownership interests in subsidiaries	Employee stock options	The difference between the actual acquisition or disposal of the subsidiary's equity value and the book value	Others	Total
At January 1, 2023	\$ 21,571,329	\$ 480,778	\$ 209,447	\$ 609	\$ 346,814	\$ -	\$ 1,929	\$ 22,610,906
Disposal of company's share by subsidiaries recognised as treasury share transactions	-	164,225	-	-	-	-	-	164,225
Subsidiaries received cash dividends paid by the parent company	-	12,026	-	-	-	-	-	12,026
Changes from associates and joint ventures accounted for using the equity method	-	-	( 629)	-	-	-	-	( 629)
Capital surplus - dividends unclaimed by the subsidiaries' shareholders	-	-	-	-	-	-	( 2)	( 2)
Capital surplus - dividends unclaimed by the shareholders	-	-	-	-	-	-	992	992
	-	-	-	-	-	2,085	-	2,085
At December 31, 2023	<u>\$ 21,571,329</u>	<u>\$ 657,029</u>	<u>\$ 208,818</u>	<u>\$ 609</u>	<u>\$ 346,814</u>	<u>\$ 2,085</u>	<u>\$ 2,919</u>	<u>\$ 22,789,603</u>

	Share premium	Treasury stock transactions	Net equity of associates and joint ventures accounted for using equity method	Changes in ownership interests in subsidiaries	Employee stock options	Others	Total
At January 1, 2022	\$ 21,571,329	\$ 468,577	\$ 201,493	\$ 609	\$ 346,814	\$ 1,460	\$ 22,590,282
Disposal of company's share by subsidiaries recognised as treasury share transactions	-	( 6,300)	-	-	-	-	( 6,300)
Subsidiaries received cash dividends paid by the parent company	-	18,501	-	-	-	-	18,501
Changes from associates and joint ventures accounted for using the equity method	-	-	58,881	-	-	-	58,881
Disposal of investments accounted for using equity method	-	-	( 50,927)	-	-	-	( 50,927)
Capital surplus - dividends unclaimed by the shareholders	-	-	-	-	-	469	469
At December 31, 2022	<u>\$ 21,571,329</u>	<u>\$ 480,778</u>	<u>\$ 209,447</u>	<u>\$ 609</u>	<u>\$ 346,814</u>	<u>\$ 1,929</u>	<u>\$ 22,610,906</u>

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 paidin capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(22) 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' accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall also be set aside or reversed pursuant to the regulations. Appropriation of the remainder along with prior year's accumulated unappropriated retained earnings shall be proposed by the Board of Directors, and shall be resolved by the stockholders when they are appropriated by issuing new shares. If the appropriation of retained earnings was appropriated in the form of cash, the appropriation should be in line with Article 240-5 of the Company Act, as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- B. Earnings appropriation ratio and cash dividends ratio are decided by the Board of Directors, taking into account the Company's financial structure, future capital requirements and profitability, and cash dividends shall account for at least 10% of the total dividends appropriated. Earnings appropriation ratio and cash dividends ratio are subject to adjustments once approved by the stockholders.
- 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. In line with Article 241 of the Company Act, all or part of the legal reserve and capital reserve could be appropriated as cash dividends as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- 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 appropriation of 2022 earnings had been resolved at the shareholders' meeting on

May 29, 2023. Details are summarized below:

	For the year ended December 31, 2022	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 949,253	
Cash dividend	1,568,524	\$ 1.30
Total	<u>\$ 2,517,777</u>	<u>\$ 1.30</u>

F. On February 24, 2023, the appropriation of earnings for the years ended December 31, 2023 proposed by the Board of Directors and to be approved by the shareholders is as follows:

	For the year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve	\$ 135,414	
Cash dividend	1,568,524	\$ 1.30
Total	<u>\$ 1,703,938</u>	<u>\$ 1.30</u>

(23) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 3,003,911	\$ ( 249,216)	\$ 2,754,695
Reclassified to profit or loss upon disposal			
- Group	-	1,317	1,317
Reclassified to retained earnings upon disposal			
- Group	426,249	-	426,249
- Associates	( 37,585)	-	( 37,585)
Reclassified as non-controlling interest	-	( 1,644)	( 1,644)
Revaluation			
- Group	( 1,736,468)	-	( 1,736,468)
- Associates	19,074	-	19,074
Currency translation differences			
- Group	-	1,947,214	1,947,214
- Associates	-	( 62,004)	( 62,004)
At December 31	<u>\$ 1,675,181</u>	<u>\$ 1,635,667</u>	<u>\$ 3,310,848</u>

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 4,116,843	\$( 2,268,405)	\$ 1,848,438
Reclassified to profit or loss upon disposal			
- Group	-	414,667	414,667
Reclassified to retained earnings upon disposal			
- Group	( 177,639)	-	( 177,639)
- Associates	( 19,366)	-	( 19,366)
Revaluation			
- Group	( 963,157)	-	( 963,157)
- Associates	47,230	-	47,230
Currency translation differences			
- Group	-	1,565,848	1,565,848
- Associates	-	38,674	38,674
At December 31	<u>\$ 3,003,911</u>	<u>\$( 249,216)</u>	<u>\$ 2,754,695</u>

(24) Operating revenue

	For the year ended December 31	
	2023	2022
Revenue from contracts with customers	<u>\$ 35,536,013</u>	<u>\$ 47,832,957</u>

A. Disaggregation of revenue from contracts with customers

	For the year ended December 31	
	2023	2022
Cloud computing product	\$ 27,941,418	\$ 38,157,654
Automotive electronics and AIoT product	4,961,249	6,127,945
Others	<u>2,633,346</u>	<u>3,547,358</u>
	<u>\$ 35,536,013</u>	<u>\$ 47,832,957</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022
Contract liabilities– sales of goods	\$ 177,821	\$ 271,890
Contract liabilities– others	<u>34,979</u>	<u>34,971</u>
Total	<u>\$ 212,800</u>	<u>\$ 306,861</u>

(25) Interest income

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ 121,625	\$ 95,737
Interest income from financial assets measured at amortised cost	<u>22,662</u>	<u>7,062</u>
	<u>\$ 144,287</u>	<u>\$ 102,799</u>

(26) Other income

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Rental revenue	\$ 125,339	\$ 123,490
Dividend income	738,126	610,635
Other income	<u>114,386</u>	<u>159,137</u>
	<u>\$ 977,851</u>	<u>\$ 893,262</u>

(27) Other gains and losses

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Gains on disposals of property, plant and equipment	\$ 4,623	\$ 5,081
(Losses) gains on disposal of investments- Note 6(8)I	( 1,317)	10,093,261
Net currency exchange (losses) gain	225,250)	167,277
	(	
Gains on financial assets liabilities at fair value through profit or loss	73	( 9,473)
Other losses	( 37,777)	( 79,089)
	<u>\$( 259,648)</u>	<u>\$ 10,177,057</u>

(28) Financial costs

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest expense on bank borrowings	\$ 119,152	\$ 104,856
Interest expense on lease liabilities	<u>2,291</u>	<u>2,859</u>
	<u>\$ 121,443</u>	<u>\$ 107,715</u>



(29) Expense by nature

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Employee benefit expense	\$ 5,470,174	\$ 5,904,069
Depreciation charges on property, plant and equipment, investment property and right-of-use assets	1,033,192	1,063,120
Amortization charges	<u>106,195</u>	<u>99,497</u>
Total	<u>\$ 6,609,561</u>	<u>\$ 7,066,686</u>

(30) Employee benefit expenses

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 4,668,912	\$ 5,183,917
Labor and health insurance fees	328,535	304,045
Pension costs	243,438	244,175
Other personnel expenses	<u>229,289</u>	<u>171,932</u>
	<u>\$ 5,470,174</u>	<u>\$ 5,904,069</u>

- A. According to the amended Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 0.1% for employees and not be higher than 1% for directors. If a company has an accumulated deficit, earnings should be reserved to cover losses. Employees' compensation can be distributed by stock or dividends, and employees must be working for the Company. The Chairman of the Board is authorised to set the qualification requirements.
- B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at 0.1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration. Directors' remuneration were accrued under 1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration.
- C. For the years ended December 31, 2023 and 2022, employees' compensation were accrued at \$2,213 and \$10,025, respectively; and directors' remuneration were accrued at \$6,500 and \$6,500, respectively. The aforementioned amounts were recognised in salary expenses. Employees' compensation and directors' remuneration of 2023 and 2022 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2023 and 2022 parent company only financial statements.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax:		
Current tax on profits for the period	\$ 263,085	\$ 343,789
Tax on undistributed surplus earnings	348,738	416,592
Prior year income tax overestimation	<u>5,171</u>	<u>( 1,965)</u>
Total current tax	<u>616,994</u>	<u>758,416</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>( 403,179)</u>	<u>1,282,809</u>
Total deferred tax	<u>( 403,179)</u>	<u>1,282,809</u>
Income tax expense	<u>\$ 213,815</u>	<u>\$ 2,041,225</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Actuarial gain on defined benefit obligations	<u>\$ 806</u>	<u>\$ 3,220</u>

B. Reconciliation between income tax expense and accounting profit

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 427,096	\$ 4,519,679
Tax on undistributed earnings	348,738	416,592
Unrecognised deferred income tax liabilities	20,011	225,593
Tax exempt income by tax regulation	( 290,455)	( 2,231,081)
Expenses disallowed by tax regulations	( 59)	59
Change in assessment of realisation of deferred tax (liabilities) assets	( 332,099)	( 891,711)
Effects from foreign income	-	4,059
Prior year income tax overestimation	5,171	( 1,965)
Income tax effect from return of dividends arising from overseas investments	<u>35,412</u>	<u>-</u>
Income tax expense	<u>\$ 213,815</u>	<u>\$ 2,041,225</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

For the year ended December 31, 2023					
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Effects of exchange rate changes	Ending balance
Deferred tax assets:					
Temporary differences:					
Warranty provision	\$ 46,973	\$( 701)	\$ -	\$ -	\$ 46,272
Loss from decline in inventory price to market value	218,240	( 2,057)	-	( 167)	216,016
Unrealised estimate payable	206,960	65,642	-	( 218)	272,384
Unused compensated absences	25,459	( 676)	-	( 1)	24,782
Accrued pension liability	50,396	( 612)	411	-	50,195
Others	86,946	( 8,234)	-	( 29)	78,683
Loss carryforward	<u>14,748</u>	<u>( 7,275)</u>	<u>-</u>	<u>-</u>	<u>7,473</u>
Subtotal	<u>649,722</u>	<u>46,087</u>	<u>411</u>	<u>( 415)</u>	<u>695,805</u>
Deferred tax liabilities:					
Temporary differences:					
Equity investments	( 8,152,786)	311,450	-	-	( 7,841,336)
Others	<u>( 49,313)</u>	<u>45,642</u>	<u>( 1,217)</u>	<u>( 1)</u>	<u>( 4,889)</u>
Subtotal	<u>( 8,202,099)</u>	<u>357,092</u>	<u>( 1,217)</u>	<u>( 1)</u>	<u>( 7,846,225)</u>
Total	<u>\$( 7,552,377)</u>	<u>\$ 403,179</u>	<u>\$( 806)</u>	<u>\$( 416)</u>	<u>\$( 7,150,420)</u>
For the year ended December 31, 2022					
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Effects of exchange rate changes	Ending balance
Deferred tax assets:					
Temporary differences:					
Warranty provision	\$ 42,033	\$ 4,940	\$ -	\$ -	\$ 46,973
Loss from decline in inventory price to market value	129,737	83,376	-	5,127	218,240
Unrealised estimate payable	151,850	52,507	-	2,603	206,960
Unused compensated absences	22,281	2,674	-	504	25,459
Accrued pension liability	53,789	( 173)	( 3,220)	-	50,396
Others	93,201	( 7,428)	-	1,173	86,946
Loss carryforward	<u>6,736</u>	<u>7,275</u>	<u>-</u>	<u>737</u>	<u>14,748</u>
Subtotal	<u>499,627</u>	<u>143,171</u>	<u>( 3,220)</u>	<u>10,144</u>	<u>649,722</u>
Deferred tax liabilities:					
Temporary differences:					
Equity investments	( 6,697,743)	( 1,383,319)	-	( 71,724)	( 8,152,786)
Others	<u>( 6,652)</u>	<u>( 42,661)</u>	<u>-</u>	<u>-</u>	<u>( 49,313)</u>
Subtotal	<u>( 6,704,395)</u>	<u>( 1,425,980)</u>	<u>-</u>	<u>( 71,724)</u>	<u>( 8,202,099)</u>
Total	<u>\$( 6,204,768)</u>	<u>\$( 1,282,809)</u>	<u>\$( 3,220)</u>	<u>\$( 61,580)</u>	<u>\$( 7,552,377)</u>

- D. Expiration dates of unused net operating tax losses of the Company and its subsidiaries and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
<u>Year incurred</u>	<u>Amount filed / assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2014	Assessed	\$ <u>33,143</u>	\$ <u>33,143</u>	2024
December 31, 2022				
<u>Year incurred</u>	<u>Amount filed / assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2014	Assessed	\$ <u>33,143</u>	\$ <u>33,143</u>	2024

- E. The amounts of deductible temporary differences that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deductible temporary differences	\$ <u>1,327,635</u>	\$ <u>1,211,743</u>

- F. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were \$232,914 and \$222,352, respectively.
- G. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(32) Earnings per share

For the year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>1,783,630</u>	1,201,931	\$ <u>1.48</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,783,630		
Less: Effect of dilutive potential common stocks issued by investee companies	(23,786)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	97	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ <u>1,759,844</u>	<u>1,202,028</u>	\$ <u>1.46</u>

For the year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ <u>9,294,214</u>	1,197,306	\$ <u>7.76</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 9,294,214		
Less: Effect of dilutive potential common stocks issued by investee companies	(11,811)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	394	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ <u>9,282,403</u>	<u>1,197,700</u>	\$ <u>7.75</u>

Basic earnings per share is calculated with the gain or loss attributable to the shareholders of the ordinary shares issued by the Company, divided with outstanding weighted average ordinary shares during the period, and deducted with weighted average treasury shares.

(33) Supplemental cash flow information

A. Financing activities with partial cash payments :

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Cash dividends declared but yet to be paid – the Company	\$ 1,568,524	\$ 2,413,114
Add: Cash dividends to minority interests paid by subsidiaries	5,631	493
Less: Recognition of cash dividends declared by the parent to subsidiaries	( 12,026)	( 18,501)
Cash paid during the period	<u>\$ 1,562,129</u>	<u>\$ 2,395,106</u>

(34) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Guarantee deposit received</u>	<u>Lease liabilities</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2023	\$ 3,623,778	\$ 34,961	\$ 169,089	\$ 701,685	\$ 4,529,513
Changes in cash flow	( 2,744,150)	9,060	( 47,072)	140,372	( 2,641,790)
Impact of changes in foreign exchange rate	( 18,555)	( 571)	( 219)	( 6,279)	( 25,624)
Changes in other non-cash items	-	-	10,396	-	10,396
At December 31, 2023	<u>\$ 861,073</u>	<u>\$ 43,450</u>	<u>\$ 132,194</u>	<u>\$ 835,778</u>	<u>\$ 1,872,495</u>

	<u>Short-term borrowings</u>	<u>Guarantee deposit received</u>	<u>Lease liabilities</u>	<u>Long-term borrowings (including current portion)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2022	\$ 3,215,724	\$ 29,961	\$ 195,022	\$ 863,330	\$ 4,304,037
Changes in cash flow	398,541	4,748	( 40,280)	( 161,645)	201,364
Impact of changes in foreign exchange rate	9,513	252	6,496	-	16,261
Changes in other non-cash items	-	-	7,851	-	7,851
At December 31, 2022	<u>\$ 3,623,778</u>	<u>\$ 34,961</u>	<u>\$ 169,089</u>	<u>\$ 701,685</u>	<u>\$ 4,529,513</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Getac Holdings Corp. and subsidiaries	Associate
Infopower Technologies Ltd.	Associate
Loyal Fidelity Aerospace Co., Ltd.	Associate (Note)
Synnex Technology International Corp. and subsidiaries	Common Chairman
Harbinger Venture Management Company Ltd.	Common Chairman
Lien Hwa Industrial Holdings Corp. and subsidiaries	Common Chairman
UPC Technology Corp.	Common Chairman
Hyve Design Solutions Corporation and subsidiaries	Associate
Shen-Tong Construction & Development Co., Ltd.	Associate
Harbinger VIII Venture Capital Corp.	The Company was this company's director
Whetron Electronics Co., LTD.	The Company was this company's director

Note: Shares disposed in the fourth quarter of 2022.

### (2) Significant related party transactions and balances

#### A. Operating revenue:

##### (a)

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Sales of goods:		
-Associates-Others	\$ 78,856	\$ 78,437
-Other related parties	<u>8,432</u>	<u>24,179</u>
	<u>87,288</u>	<u>102,616</u>
-Associates-Others	7,529	10,233
-Other related parties	<u>4</u>	<u>5</u>
Subtotal	<u>7,533</u>	<u>10,238</u>
Total	<u>\$ 94,821</u>	<u>\$ 112,854</u>

(b) The selling price to related parties is determined based on the economic environment and market competition in the region of the related party.

(c) The Group's term of credit for related parties is the same with third party clients. The payment is generally due around 3 months after delivery.

B. Purchases:

(a)

	<u>For the year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Purchases of goods:		
-Associates	\$ 19,369	\$ 49,659
-Other related parties - Synnex Technology International Corp. and subsidiaries	<u>2,665,149</u>	<u>461,025</u>
Total	<u>\$ 2,684,518</u>	<u>\$ 510,684</u>

(b) The purchase price from related parties cannot be compared with the prices to third parties due to differences in product specifications.

(c) The Group's term of payment for related parties is generally due around 3 months after counterparty's delivery.

C. Receivables from related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
-Associates-Others	\$ 63	\$ 3,902
-Other related parties	<u>-</u>	<u>296</u>
Subtotal	<u>63</u>	<u>4,198</u>
Other receivables:		
-Associates-Getac Holdings Corp. and subsidiaries	\$ 15,947	\$ 21,952
-Associates-Others	4,755	4,755
-Other related parties	<u>2,545</u>	<u>2,344</u>
Subtotal	<u>23,247</u>	<u>29,051</u>
Other receivables-Dividend:		
Total	<u>\$ 23,310</u>	<u>\$ 33,249</u>



D. Payables to related parties:

	December 31, 2023	December 31, 2022
Accounts payable:		
-Associates	\$ 5,218	\$ 3,963
-Other related parties - Synnex Technology International Corp. and subsidiaries	<u>67,586</u>	<u>157,760</u>
Subtotal	<u>72,804</u>	<u>161,723</u>
Other payables:		
-Associates	1,006	3,715
-Other related parties	<u>16,620</u>	<u>5,004</u>
Subtotal	<u>17,626</u>	<u>8,719</u>
Total	<u>\$ 90,430</u>	<u>\$ 170,442</u>

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	For the year ended December 31 2023	2022
Other related parties	<u>\$ 23,937</u>	<u>\$ 5,169</u>

(b) Acquisition of financial assets:

For the years ended December 31, 2023

Account	Number of shares	Subject of the transaction	Acquisition amount
Financial assets at fair value through other comprehensive income-non current	Cash capital increase 3,750 thousand shares	Harbinger VIII Venture Capital Corp.	\$ <u>160,000</u>

For the years ended December 31, 2022

Account	Number of shares	Subject of the transaction	Acquisition amount
Investments accounted for using equity method	600 thousand shares	Hyve Design Solutions Corporation	\$ <u>188,295</u>
Financial assets at fair value through other comprehensive income-non current	2,614 thousand shares	Whetron Electronics Co., Ltd.	\$ <u>104,560</u>
Financial assets at fair value through other comprehensive income-non current	3,750 thousand shares	Harbinger VIII Venture Capital Corp.	\$ <u>37,500</u>

F. Lease transactions — lessee

(a) The Group leases buildings from Getac Technology Corp. and its subsidiaries. Rental contracts are typically made for periods from years 2019 to 2023.

(b) Lease liabilities

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Associates	\$ <u>                    -</u>	\$ <u>          11,441</u>

ii. Interest expense

	For the year ended December 31 2023	2022
Associates	\$ <u>          322</u>	\$ <u>          1,004</u>

G. Lease transactions — lessor

	For the year ended December 31 2023	2022
Rent income		
Associates	\$       44,982	\$       44,734
Other related parties	<u>          744</u>	<u>          954</u>
Total	\$ <u>      45,726</u>	\$ <u>      45,688</u>

H. Expenses

	For the year ended December 31 2023	2022
Associates	\$       7,015	\$       9,712
Other related parties	<u>      1,563</u>	<u>      2,047</u>
Total	\$ <u>      8,578</u>	\$ <u>     11,759</u>

(3) Key management compensation

	For the year ended December 31 2023	2022
Salaries and other short-term employee benefits	\$       57,798	\$       46,798
Post-employment benefits	<u>          611</u>	<u>          590</u>
Total	\$ <u>     58,409</u>	\$ <u>     47,388</u>

## 8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book Value</u>		<u>Purpose</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Time deposits (shown as "Financial assets at amortised cost-non-current")	\$ 10,208	\$ 10,177	Guarantee deposit for lease
Time deposits (shown as "Financial assets at amortised cost-non-current")	432,700	-	Guarantees deposit for borrowings
Time deposits (shown as "Financial assets at amortised cost-non-current")	59,695	59,724	Guarantee deposit for letter of guarantee for customs duties
Time deposits (shown as "Financial assets at amortised cost-current")	<u>861,073</u>	<u>245,600</u>	Guarantees deposit for borrowings
	<u>\$ 1,363,676</u>	<u>\$ 315,501</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies: None.

(2) Commitments: None.

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 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.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>143,879</u>	\$ <u>154,069</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>40,930,619</u>	\$ <u>42,014,652</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 8,321,029	\$ 7,801,360
Financial assets at amortised cost	1,398,476	350,301
Notes receivable	34,865	40,992
Accounts receivable	4,050,024	7,728,310
Accounts receivable - related parties	63	4,198
Other receivables	7,143,010	158,303
Refundable deposits	<u>20,269</u>	<u>23,756</u>
	<u>\$ 20,967,736</u>	<u>\$ 16,107,220</u>

	December 31, 2023	December 31, 2022
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ <u>849</u>	\$ <u>11,112</u>
Financial liabilities at amortised cost		
Short-term borrowings	\$ 861,073	\$ 3,623,778
Accounts payable	5,913,013	5,730,648
Accounts payable - related parties	72,804	161,723
Other accounts payable	9,402,684	4,219,223
Refundable deposits	43,450	34,961
Long-term borrowings (including current portion)	<u>835,778</u>	<u>701,685</u>
	\$ <u>17,128,802</u>	\$ <u>14,472,018</u>
Lease liabilities	\$ <u>132,194</u>	\$ <u>169,089</u>

B. Financial risk management policies

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 overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2), 6(15)).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and CNY). 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: functional currency)	Foreign currency amount		Exchange rate	Book value	
	(In thousands)			(NTD)	
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$	403,142	30.705	\$	12,378,479
EUR:NTD		3,211	33.980		109,111
USD:CNY		119,558	7.096		3,671,036
<u>Non-monetary items</u>					
Non-monetary items		95,402	4.327		412,806
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD		213,092	30.705		6,542,985
USD:CNY		114,730	7.096		3,522,771

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 439,337	30.710	\$ 13,492,028
CNY:NTD	72,814	4.408	320,962
USD:CNY	108,661	6.967	3,336,979
<u>Non-monetary items</u>			
CNY:NTD	92,168	4.408	406,276
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	289,575	30.710	8,892,858
USD:CNY	230,703	6.967	7,084,904

- ii. Total exchange (loss) gain, 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 \$(225,250) and \$167,277, respectively.
- iii. The Group's foreign currency market risk analysis regarding significant exchange

rate fluctuations is shown below:

For the year ended December 31, 2023				
Sensitivity analysis				
	Fluctuation %	Affected income	Affected other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	\$ 123,785	\$	-
EUR:NTD	1.00%	1,091		-
USD:CNY	1.00%	36,710		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	65,430		-
USD:CNY	1.00%	35,228		-

For the year ended December 31, 2022				
Sensitivity analysis				
	Fluctuation %	Affected income	Affected other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	\$ 134,920	\$	-
CNY:NTD	1.00%	3,210		-
USD:CNY	1.00%	33,370		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1.00%	88,929		-
USD:CNY	1.00%	70,849		-

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.
- ii. The Group's investments in equity securities comprise shares and open-end

funds issued by the domestic or foreign 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% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$1,424 and \$1,407. Other components of equity would have increased/decreased by \$409,306 and \$420,147, 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 main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.
- ii. If the borrowing interest rate had increased/decreased by 0.01% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased /increased by \$170 and \$433, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

#### (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 stated at amortised cost.
- ii. 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 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.
- iii. Individual risk limits are set based on internal or external factors in accordance with limits set by credit control manager. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only the institutions with good credit quality are accepted as counterparties.
- v. The default occurs when it expects that the contact payments cannot be recovered and are transferred to overdue receivables.
- vi. The following indicators are used to determine whether the credit impairment of



debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group classifies customers' repayment ability in accordance with the contract term and macroeconomic forecast included in the forecastability and related industry information. The Group applies the modified approach using group methodology to estimate expected credit loss.
- viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- ix. The Group considered the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the loss rate methodology is as follows:

<u>December 31, 2023</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
Expected loss rate	0% - 100%	0.009%-0.7%	
Value	\$ 268,791	\$ 10,985,460	\$ 11,254,251
Allowance	59,144	2,010	61,154
<u>December 31, 2022</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
Expected loss rate	0% - 100%	0.010% - 0.7%	
Value	\$ 1,469,731	\$ 6,783,260	\$ 8,252,991
Allowance	351,434	10,746	362,180

Group A: High-risk accounts: The evaluation module is based on payment records, financial indicators, contract fulfillment status, and related industry information.

Group B: Low- and medium-risk accounts: Entities provide good payment records, strong prospects, transparent financials or collateral.

- x. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2023
At January 1	\$ 362,180
Reversal of provision for impairment	( 304,300)
Write-off	( 200)
Effect of foreign exchange	3,474
At December 31	\$ 61,154

	2022
At January 1	\$ 78,858
Provision for impairment	273,844
Effect of foreign exchange	9,478
At December 31	\$ 362,180

(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. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled 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 and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
Short-term				
borrowings	\$ 861,073	\$ -	\$ -	\$ -
Accounts payable	5,985,817	-	-	-
Other payables	9,402,684	-	-	-
Lease liabilities	31,430	28,106	8,715	76,983
Guarantee deposits	27,729	2,115	5,209	8,397
Long-term				
borrowings	257,944	102,225	84,099	-

Non-derivative financial liabilities:

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
Short-term				
borrowings	\$ 3,640,414	\$ -	\$ -	\$ -
Accounts payable	5,892,371	-	-	-
Other payables	4,219,223	-	-	-
Lease liabilities	44,617	29,960	25,465	84,583
Guarantee deposits	22,726	2,914	355	8,966
Long-term				
borrowings	270,351	257,548	102,049	84,040

Derivative financial liabilities

As December 31, 2023 and 2022, the Group's derivative financial liabilities mature within one year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

- B. Fair value information of investment property at cost is provided in Note 6(12).

- C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits received are approximate to their fair values.

- D. The related information of financial and non-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 related information of natures of the assets and liabilities is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>assets:</u>				
Forward exchange contracts	\$ -	\$ 1,528	\$ -	\$ 1,528
Equity securities	<u>35,920,224</u>	<u>368,403</u>	<u>4,784,343</u>	<u>41,072,970</u>
Total	<u>\$ 35,920,224</u>	<u>\$ 369,931</u>	<u>\$ 4,784,343</u>	<u>\$41,074,498</u>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>liabilities:</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 849</u>	<u>\$ -</u>	<u>\$ 849</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>assets:</u>				
Forward exchange contracts	\$ -	\$ 13,388	\$ -	\$ 13,388
Equity securities	<u>37,788,220</u>	<u>457,758</u>	<u>3,909,355</u>	<u>42,155,333</u>
Total	<u>\$ 37,788,220</u>	<u>\$ 471,146</u>	<u>\$ 3,909,355</u>	<u>\$ 42,168,721</u>
<u>Recurring fair value</u>				
<u>measurements Financial</u>				
<u>liabilities:</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 11,112</u>	<u>\$ -</u>	<u>\$ 11,112</u>

(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:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net worth

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation

model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- vi. The Group takes into account adjustments for credit risk to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

- E. For the years ended December 31, 2023, Whetron Electronics Co., Ltd. was transferred from Level 2 to Level 1; for the years ended December 31, 2022, there was no transfer between Level 1 and Level 2.
- F. The following table presents the changes in Level 3 instruments as at December 31, 2023 and 2022:

	Equity securities	
	2023	2022
January 1	\$ 3,909,355	\$ 4,115,941
Proceeds from capital reduction for the period	( 16,432)	( 13,615)
Acquired in the period	11,689	73,450
(Losses) gains recognised in other comprehensive income	879,730	( 266,421)
Effects of foreign exchange	1	-
December 31	<u>\$ 4,784,343</u>	<u>\$ 3,909,355</u>

- G. Investment department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, and reviewing the information periodically.
- H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes significant unobservable inputs to valuation model used in Level 3 fair value measurements:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 4,784,343	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 3,909,355	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2023					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument		Net asset value	±1%	\$ -	\$ -	\$ 47,843	\$ 47,843

		December 31, 2022					
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument		Net asset value	±1%	\$ -	\$ -	\$ 39,094	\$ 39,094

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- 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 NT\$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paidin capital or more: Please refer to table 5.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and (15).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to tables 5 and 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Group's Chief Operating Decision-Maker manages business from the perspectives of cloud computing product business group and automotive electronics and AIoT business group.

The Group's company organization, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments and reconciliations are as follows:

For the year ended December 31, 2023				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 27,941,418	\$ 4,961,249	\$ 2,633,346	\$ 35,536,013
Segment gain (loss)	374,371	107,318	( 413,984)	67,705

For the year ended December 31, 2022				
Item	Cloud computing business group	Automotive electronics and AIoT business group	Others	Total
Revenue	\$ 38,157,654	\$ 6,127,945	\$ 3,547,358	\$ 47,832,957
Segment gain (loss)	( 733,009)	77,436	( 533,117)	( 1,188,690)

(3) Reconciliation for segment income (loss)

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.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

Items	For the year ended December 31	
	2023	2022
(Loss) profit for reportable segments	\$ 67,705	1,188,690)
\$( Unallocated:		
Share of profits and losses from affiliates and joint ventures accounted for using the equity method	1,192,508	1,461,403
Dividend revenue	738,126	610,635
Interest revenue	144,287	102,799
Net currency exchange (loss) gain	( 225,250)	167,277
(Loss) Gains on disposal of investments	( 1,317)	10,093,261
Other income	85,201	91,431
Income before tax from operations	<u>\$ 2,001,260</u>	<u>\$ 11,338,116</u>

(4) Information on products and services

	For the year ended December 31	
	2023	2022
Sales	\$ 35,235,345	\$ 47,623,115
Other revenue	300,668	209,842
Total	<u>\$ 35,536,013</u>	<u>\$ 47,832,957</u>

(5) Geographical information

For the years ended December 31, 2023 and 2022, revenues and non-current assets from



certain regions are listed below:

For the year ended December 31				
	2023		2022	
	Revenue	Assets - non-current	Revenue	Assets - non-current
Taiwan	\$ 1,253,370	\$ 4,859,411	\$ 1,999,131	\$ 4,936,670
USA	14,578,369	678,258	25,178,869	732,763
Europe	5,661,780	87,267	7,308,913	88,748
Others	<u>14,042,494</u>	<u>3,258,076</u>	<u>13,346,044</u>	<u>3,686,363</u>
Total	<u>\$ 35,536,013</u>	<u>\$ 8,883,012</u>	<u>\$ 47,832,957</u>	<u>\$ 9,444,544</u>

(6) Major customer information

For the years ended December 31, 2023 and 2022, the major customer information of the Group are listed below:

For the year ended December 31, 2023		
Customer	Revenue	Percentage of total revenue
Customer A	\$ 12,339,857	35%
Customer D	3,776,908	11%

For the year ended December 31, 2022		
Customer	Revenue	Percentage of total revenue
Customer A	\$ 13,297,967	28%
Customer C	5,718,510	12%
Customer D	5,202,311	11%

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Loans to others  
For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note1)	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)
													Item	Value		
0	MiTAC Holdings Corp.	MiTAC International Corp.	Other receivables-related parties	Y	\$ 2,400,000	\$ 1,200,000	\$ -	1.49311%-1.49378%	2	\$ -	Operations	\$ -	None	\$ -	\$ 23,328,777	\$ 23,328,777
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	3,900,000	500,000	-	1.375%-2.5%	2	-	Operations	-	None	-	23,328,777	23,328,777
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	1,000,000	-	-	0	2	-	Operations	-	None	-	23,328,777	23,328,777
1	MiTAC International Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	500,000	-	-	0	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	4,200,000	4,000,000	1,322,475	1.49378%-5.5%	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	200,000	-	-	0	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	Shen-Tong Construction & Development Co., Ltd.	Other receivables-related parties	Y	4,755	4,755	4,755	0	2	-	Operations	-	None	-	23,635,796	23,635,796
2	MiTAC Computing Technology Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	700,000	-	-	0	2	-	Operations	-	None	-	1,199,940	1,199,940
2	MiTAC Computing Technology Corp.	MiTAC International Corp.	Other receivables-related parties	Y	700,000	700,000	-	1.49311%-1.49378%	2	-	Operations	-	None	-	1,199,940	1,199,940
2	MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	1,875,300	1,842,300	1,842,300	0	1	14,520,993	Ongoing business	-	None	-	2,999,851	2,999,851
3	MiTAC Digital Technology Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	150,000	-	-	0	2	-	Operations	-	None	-	731,279	731,279
3	MiTAC Digital Technology Corp.	MiTAC International Corp.	Other receivables-related parties	Y	430,000	180,000	-	1.49311%-5.5%	2	-	Operations	-	None	-	731,279	731,279
3	MiTAC Digital Technology Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	500,000	500,000	-	0	2	-	Operations	-	None	-	731,279	731,279
4	Silver Star Developments Ltd.	MiTAC Holdings Corp.	Other receivables-related parties	Y	21,823,348	20,861,762	20,857,224	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC International Corp.	Other receivables-related parties	Y	16,630,710	4,509,500	1,636,348	0	2	-	Operations	-	None	-	18,215,864	18,215,864
4	Silver Star Developments Ltd.	MiTAC International Corp.	Other receivables-related parties	Y	13,459,175	13,459,175	13,459,175	0	1	15,412,969	Ongoing business	-	None	-	15,412,969	91,079,322
4	Silver Star Developments Ltd.	Start Well Technology Ltd.	Other receivables-related parties	Y	931,311	931,311	931,311	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC Benelux N.V.	Other receivables-related parties	Y	69,420	67,960	67,960	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	2,129,820	921,150	-	0	2	-	Operations	-	None	-	91,079,322	91,079,322
5	Tyan Computer Corp.(USA)	MiTAC Information Systems Corp.	Other receivables-related parties	Y	243,188	230,288	230,288	1.83%	2	-	Operations	-	None	-	1,261,035	1,261,035
6	MiTAC Investment Holding Ltd.	MiTAC Technology (Kunshan) Co., Ltd.	Other receivables-related parties	Y	13,335	-	-	3.85%	2	-	Operations	-	None	-	7,375,588	7,375,588

No. (Note1)	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)
													Item	Value		
6	MiTAC Investment Holding Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	44,450	-	-	0%-4.3%	2	-	Operations	-	None	-	7,375,588	7,375,588
7	MiTAC Research (Shanghai) Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	280,035	216,350	216,350	0%-4.3%	2	-	Operations	-	None	-	944,201	944,201
8	Access Wisdom Holdings Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	35,668	33,776	33,776	0	2	-	Operations	-	None	-	80,144	80,144
9	Mio International Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	22,698	21,494	21,494	0	2	-	Operations	-	None	-	22,253	22,253
9	Mio International Ltd.	Access Wisdom Holdings Ltd.	Other receivables-related parties	Y	22,698	21,494	21,494	0	2	-	Operations	-	None	-	111,263	111,263
10	MiTAC Digital Corp.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	184,230	184,230	184,230	5.3%	2	-	Operations	-	None	-	392,299	392,299

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 nature of loan are as follows:

- (1) Ongoing business
- (2) Short-term financing

Note 3: (1) MiTAC Holdings Corp. (the Company)'s total borrowing amount of short-term financing should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors. The borrowing amount for each borrowing company should not exceed 40% of the net worth of the Company.

(2) MiTAC International Corp.'s total borrowing amount of short-term financing should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors. The borrowing amount for each borrowing company should not exceed 40% of the net worth of the Company.

(3) MiTAC Computing Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors.

(4) For companies with which Mitac Computing Technology Corp. has business dealings, the short-term financing limit should not exceed 100% of the net worth on the latest financial statements audited or reviewed by independent auditors. The limit of loaning to individual company shall not exceed the total amount of estimated business transactions between the two parties in the past two years or the next one year, or 100% of the previously stated net value, whichever is lower. The so-called business transaction amount refers to the total amount of investment, purchase, sales and other transactions between the two parties.

(5) MiTAC Digital Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors.

(6) If Silver Star Developments Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(7) If Silver Star Developments Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(8) For companies with which Silver Star Developments Ltd. has business dealings, the individual loan limit is based on the total amount of business dealings in the past five years or 200% of the net value of the company's most recent financial statement that has been audited or reviewed by an accountant, whichever is lower. The total loan limit is limited to 200% of the company's most recent net worth of financial statements that have been audited or reviewed by accountants. The so-called business transaction amount refers to the total amount including but not limited to investment, purchase, sales and other transactions between the two parties.

(9) The borrowing amount and the total borrowing amount of Tyan Computer Corp. (USA) lending to the ultimate parent company and its direct and indirect wholly-owned foreign subsidiaries should not exceed 200% of the net worth on the latest financial statements audited by independent auditors.

(10) If MiTAC Investment Holding Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(11) If MiTAC Research (Shanghai) Ltd. was lending to the ultimate parent company and domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(12) If Access Wisdom Holdings Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(13) If Mio International Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(14) If Mio International Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(15) If MiTAC Digital Technology Corp. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party ( Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	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 (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China
		Company name	Relationship with the endorser/ guarantor (Note 2)										
0	MiTAC Holdings Corp.	Tyan Computer Corp.(USA)	2	\$ 29,160,971	\$ 97,275	\$ 92,115	\$ 92,115	\$ -	0.16 %	\$ 29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	2	29,160,971	933,841	884,305	884,305	-	1.52 %	29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	2	29,160,971	4,324	4,094	4,094	-	0.01 %	29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Information Systems Corp.	2	29,160,971	1,658,070	1,658,070	122,820	-	2.84 %	29,160,971	Y	N	N

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 six 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 endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) The endorsement and guarantees amount provided by MiTAC Holdings Corp. to each entity which is directly or indirectly held 50% or more of the voting power by the company should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

- (2) MiTAC Holding Corp's total endorsements and guarantees should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Holding of marketable securities at the end of 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		Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
MiTAC Holdings Corp.	stocks	Synnex Technology International Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	3,103,717	\$ 217,881	0.19	\$ 217,881	
MiTAC Holdings Corp.	stocks	Healthera Corporation	None	Financial assets at fair value through other comprehensive income-non current	72,112	17,794	0.28	17,794	
MiTAC Holdings Corp.	stocks	JVP VIII, L.P.	None	Financial assets at fair value through other comprehensive income-non current	-	121,515	1.16	121,515	
MiTAC Holdings Corp.	stocks	Acorn Pacific Ventures Fund II, LP	None	Financial assets at fair value through other comprehensive income-non current	-	16,804	6.62	16,804	
MiTAC Holdings Corp.	stocks	TOPRAY MEMS INC.	None	Financial assets at fair value through other comprehensive income-non current	1,000,000	4,256	2.19	4,256	
MiTAC Holdings Corp.	stocks	TRANS-IOT TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive income-non current	769,230	12,509	7.47	12,509	
MiTAC Holdings Corp.	stocks	MiTAC Advance Technology Corp.	None	Financial assets at fair value through other comprehensive income-non current	10,000,000	160,000	11.11	160,000	
MiTAC Holdings Corp.	stocks	Whetron Electronics Co., Ltd.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	8,789,000	476,715	11.27	476,715	
MiTAC Holdings Corp.	stocks	Harbinger VIII Venture Capital Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	15,000,000	157,033	11.57	157,033	
MiTAC Holdings Corp.	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	2,403,229	7,940,665	2.70	7,940,665	
MiTAC Holdings Corp.	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-non current	1,977,944	5,964,565	2.98	5,964,565	
MiTAC International Corp.	stocks	Lien Hwa Industrial Holdings Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	44,182,460	2,946,970	2.79	2,946,970	
MiTAC International Corp.	stocks	UPC Technology Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	16,179,560	245,929	1.19	245,929	
MiTAC International Corp.	stocks	COMPUCASE ENTERPRISE CO., LTD.	None	Financial assets at fair value through other comprehensive income-non current	10,000,000	686,000	8.83	686,000	
MiTAC International Corp.	stocks	Synnex Technology International Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	5,245,000	368,199	0.31	368,199	
MiTAC International Corp.	stocks	MiTAC Information Technology Corp.	The Company's chairman was this company's director	Financial assets at fair value through other comprehensive income-non current	6,259,734	100,256	3.68	100,256	
MiTAC International Corp.	stocks	MiTAC INC.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	35,401,218	2,458,836	8.71	2,458,836	
MiTAC International Corp.	stocks	Overseas Investment & Development Corp.	None	Financial assets at fair value through other comprehensive income-non current	1,000,000	13,233	1.11	13,233	
MiTAC International Corp.	stocks	Harbinger Venture Capital Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	27,828	198	14.05	198	

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
MiTAC International Corp.	stocks	Harbinger VI Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income-non current	3,213,811	39,468	13.28	39,468	
MiTAC International Corp.	stocks	Harbinger VII Venture Capital Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	5,333,333	79,407	9.39	79,407	
MiTAC International Corp.	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	2,064,649	6,821,941	2.32	6,821,941	
MiTAC International Corp.	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-current	2,135,489	6,439,648	3.22	6,439,648	
Tsu Fung Investment Corp.	stocks	Getac Holdings Corp.	None	Financial assets at fair value through other comprehensive income-current	7,783,741	863,995	1.28	863,995	
Tsu Fung Investment Corp.	stocks	UPC Technology Corp.	None	Financial assets at fair value through other comprehensive income-current	17,460,231	265,396	1.28	265,396	
Tsu Fung Investment Corp.	stocks	Synnex Technology International Corp.	None	Financial assets at fair value through other comprehensive income-current	8,217,974	576,902	0.49	576,902	
Tsu Fung Investment Corp.	stocks	PROMISE Technology Inc.	The Company was this company's director	Financial assets at fair value through other comprehensive income-current	2,609,479	33,532	2.92	33,532	
Tsu Fung Investment Corp.	stocks	MiTAC Information Technology Corp.	None	Financial assets at fair value through other comprehensive income-non current	4,594,672	73,588	2.70	73,588	
Tsu Fung Investment Corp.	stocks	MiTAC INC.	None	Financial assets at fair value through other comprehensive income-non current	21,824,887	1,515,957	5.37	1,515,957	
Tsu Fung Investment Corp.	stocks	Tung Da Investment Co., Ltd.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	4,848,125	160,807	19.99	160,807	Note 1
Tsu Fung Investment Corp.	stocks	Harbinger Venture Management Co., Ltd.	The Group's chairman was this company's chairman	Financial assets at fair value through other comprehensive income-non current	862,922	18,665	19.99	18,665	
Tsu Fung Investment Corp.	stocks	Lien Yung Investment Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	9,217,196	202,410	19.99	202,410	
Tsu Fung Investment Corp.	stocks	Whetron Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income-non current	375,000	20,340	0.48	20,340	
Tsu Fung Investment Corp.	Funds	UPAMC JAMES BOND Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,150,189	71,158	-	71,158	
Tsu Fung Investment Corp.	Funds	PGIM Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,378,914	71,193	-	71,193	
Silver Star Developments Ltd. and its subsidiaries	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	302,102	998,195	0.34	998,195	
Silver Star Developments Ltd. and its subsidiaries	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-non current	302,102	911,000	0.46	911,000	
Silver Star Developments Ltd. and its subsidiaries	stocks	Budworth Investments Ltd.	None	Financial assets at fair value through other comprehensive income-non current	134,908	10	14.83	10	
Silver Star Developments Ltd. and its subsidiaries	stocks	Panasas Inc.	None	Financial assets at fair value through profit or loss-non current	13,913	-	0.04	-	

Note 1: MiTAC International Corp. sold its shares of Tung Da Investment Co., Ltd. to Tsu Fung Investment Corp., and such disposal gain has not yet been realised.

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Tsu Fung Investment Corp.	MiTAC Holdings Corp.	Financial assets at fair value through profit or loss - current	-	-	9,250,594	\$ 272,893	-	\$ -	9,250,594	\$ 327,099	\$ 288,465	\$ 38,634	-	\$ -	Note1
MiTAC International Corp.	TD Synnex Corp.	Financial assets at fair value through profit or loss - non current	-	-	2,594,649	7,546,651	-	-	530,000	1,631,210	2,058,258	(427,048)	2,064,649	6,821,941	Note1

Note 1: This disposal is selling Financial assets at fair value through other comprehensive income , the result of this disposal will be booked in retained earnings and not impact on profit and loss.

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms		Notes/accounts receivable (payable)		Footnote
			Purchases /sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	Sales	\$ 1,779,333	11 %	Note 1	Note 3	Note 1	\$ 3,522,578	73 %	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	Purchases	219,190	2 %	Note 2	Note 3	Note 2	-	- %	
MiTAC Computing Technology Corp.	MiTAC Computer (Shunde) Corp.	Affiliate	Purchases	429,183	4 %	Note 2	Note 3	Note 2	(1,657,176)	42 %	
MiTAC Computing Technology Corp.	Tyan Computer Corp.(USA)	Subsidiary	Sales	545,014	3 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Computing Technology Corp.	Synnex Technology International Corp. and its subsidiaries	Other related parties	Purchases	2,663,486	22 %	Note 2	Note 3	Note 2	(67,031)	2 %	
MiTAC Computing Technology Corp.	MiTAC Japan Corp.	Affiliate	Sales	206,230	1 %	Note 1	Note 3	Note 1	51,705	1 %	
MiTAC Digital Technology Corp.	MiTAC Digital Corp.	Subsidiary	Sales	176,657	4 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Digital Technology Corp.	MiTAC Australia Pty Ltd.	Subsidiary	Sales	114,566	2 %	Note 1	Note 3	Note 1	72,826	10 %	
MiTAC Digital Technology Corp.	MiTAC Computer (Kunshan) Ltd.	Affiliate	Purchases	1,233,331	45 %	Note 2	Note 3	Note 2	(1,504,879)	81 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Sales	427,615	4 %	Note 1	Note 3	Note 1	1,663,900	4 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Purchases	206,320	2 %	Note 2	Note 3	Note 2	(51,705)	- %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	Sales	1,233,380	11 %	Note 1	Note 3	Note 1	1,512,385	4 %	
MiTAC Technology UK Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Parent Company	Sales	219,190	1 %	Note 1	Note 3	Note 1	14,084	1 %	
MiTAC Technology UK Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Parent Company	Purchases	2,324,348	16 %	Note 2	Note 3	Note 2	(3,522,578)	57 %	
Access Wisdom Holdings Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Parent Company	Purchases	292,023	97 %	Note 2	Note 3	Note 2	(72,826)	87 %	

Note 1: The Group's credit term for subsidiaries is to collect within 5 months based on the net amount of receivables after offsetting against payables. The Group's credit term for related parties is within 3 months based on the net amount of receivables after offsetting against payables; the credit term for third parties is an average of 3 months after the date of shipment.

Note 2: The Group's payment term for subsidiaries is within 5 months based on the net amount of receivables after offsetting against payables. The Group's payment term related parties within 3 months based on the net amount of receivables after offsetting against payables; the payment term for third parties is an average of 3 months after the date of shipment from the counterparty.

Note 3: The selling price to related parties is based on market value.



MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Accounts receivable	Other receivables	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
						Amount	Action taken			
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Subsidiary	\$ -	\$ 307,478	-	\$ -	Not Applicable	\$ -	\$ -	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	3,522,578	3,671	0.43	2,583,572	Subsequent collection	87,685	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	1,663,900	49,576	0.26	-	Not Applicable	708,143	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	1,512,385	1,478	1.10	-	Not Applicable	137,869	-	

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	1	Other receivables	\$ 307,478		0.35 %	
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other operating revenue	144,509		0.16 %	
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other receivables	1,363,610		1.54 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Sales	2,324,348	Note 4	6.54 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Purchases	219,190	Note 5	0.62 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Accounts receivable	3,522,578	Note 4	3.97 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Other receivables	1,845,971		2.08 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Sales	206,320	Note 4	0.58 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	427,615	Note 5	1.20 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,663,900	Note 5	1.87 %	
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC Holdings Corp.	2	Other receivables	20,857,224		23.50 %	
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC International Corp.	3	Other receivables	15,104,377		17.02 %	
4	MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd. and its subsidiaries	3	Sales	292,023	Note 4	0.82 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	1,233,380	Note 5	3.47 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,512,385	Note 5	1.70 %	
5	Access Wisdom Holdings Ltd. and its subsidiaries	MiTAC Technology UK Ltd. and its subsidiaries	3	Other receivables	185,187		0.21 %	

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:

- (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 Group's credit term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables, which takes into consideration the reasonable amount of time for the Company to ship the products to each company and for the collection of the accounts. The company's sales price with related parties is based on the international market trends and the region the sales were made.

Note 5: The Group's payment term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables after checking and the transaction price is based on the international market trends and the region the sales were made.

Note 6: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Information on investees (Does not include Mainland China invested companies)  
For the year ended December 31, 2023

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	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	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
MiTAC Holdings Corp.	MiTAC International Corp.	Taiwan	Development, design, manufacturing and sales of computers and peripherals, communications and related products	\$ 24,739,187	\$ 24,739,187	4,099,434,336	100.00	\$ 61,013,474	\$ 1,837,616	\$ 1,825,590	Subsidiary
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Taiwan	Development, design, manufacturing and sales of computers and peripherals, communications and related products	3,419,621	3,419,621	232,757,102	100.00	2,929,168	92,363	88,726	Subsidiary
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Taiwan	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	1,497,202	1,547,485	99,749,000	94.01	1,604,857	123,431	118,716	Subsidiary
MiTAC Holdings Corp.	Infopower Technologies Private Ltd.	India	Manufacture and sale of electronic product.	71,010	71,010	6,774,199	33.33	60,405	(13,898)	(6,035)	Associate
MiTAC International Corp.	Getac Holdings Corp.	Taiwan	Manufacturing and sale of notebook computers, military and industrial computer systems, etc.	1,391,549	1,391,549	190,396,939	31.22	6,689,677	3,744,542	-	Associate
MiTAC International Corp.	Tsu Fung Investment Corp.	Taiwan	General investments	625,000	625,000	142,884,651	100.00	4,411,672	153,607	-	Subsidiary
MiTAC International Corp.	3 Probe Technology Co., Ltd.	Taiwan	Information process service, sales of software and international trading.	13,420	16,839	744,154	23.25	9,891	4,414	-	Associate
MiTAC International Corp.	Lian Jie Investment Co., Ltd.	Taiwan	General investments	113,057	113,057	11,305,650	49.98	213,416	(1,618)	-	Associate
MiTAC International Corp.	Lian Jie II Investment Co., Ltd.	Taiwan	General investments	32,500	32,500	3,250,000	32.50	42,207	1,198	-	Associate
MiTAC International Corp.	Silver Star Developments Ltd. and its subsidiaries	British Virgin Islands	General investments	5,365,669	5,365,669	176,299,302	100.00	45,510,568	(80,531)	-	Subsidiary
MiTAC International Corp.	Shen-Tong Construction & Development Co., Ltd.	Taiwan	Building and factory construction, leasing and sales.	90,349	90,349	9,034,922	47.55	85,380	(449)	-	Associate
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	UK	General investments	1,576,631	1,576,631	55,146,137	100.00	727,835	(56,481)	-	Subsidiary
MiTAC Computing Technology Corp.	Hyve Design Solutions Corporation	USA	Assemble and sales of computer and peripheral equipment.	341,366	341,366	1,600,000	50.00	-	-	-	Associate
MiTAC Digital Technology Corp.	Mio International Ltd. and its subsidiaries	British Virgin Islands	General investments	69,936	69,936	1,275,001	100.00	85,139	1,182	-	Subsidiary
MiTAC Digital Technology Corp.	Access Wisdom Holdings Limited and its subsidiaries	British Virgin Islands	General investments	-	-	48,500,000	100.00	211,751	15,427	-	Subsidiary
Silver Star Developments Ltd. and its subsidiaries	Mainpower International Ltd.	British Virgin Islands	General investments	168,878	168,878	5,500,001	13.28	271,562	72,622	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi Venture Ltd.	British Virgin Islands	General investments	30,705	30,705	1,000,000	28.57	23,498	2,419	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi II Venture Ltd.	British Virgin Islands	General investments	30,705	30,705	10,000	32.26	77,746	2,347	-	Associate

Investor	Investee	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	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Taiwan	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	16	16	1,000	-	16	123,431	-	Subsidiary

**MiTAC HOLDINGS CORPORATION AND SUBSIDIARIES**  
**Information on investments in Mainland China**  
**For the year ended December 31, 2023**

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

A. Invested information in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	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 Mainland China	Remitted back to Taiwan							
MiTAC Computer (Shunde) Corp.	Manufacture of computer frame, motherboard, interface card, display, power supply, keyboard, related metal stamping parts and plastic parts and maintenance of motherboard	\$ 1,803,085	2	\$ 1,225,152	\$ -	\$ -	\$ 1,225,152	\$ (82,061)	100.00	\$ (82,061)	\$ 2,723,163	\$ -	
MiTAC Computer (Kunshan) Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	1,170,475	2	1,799,313	-	-	1,799,313	11,257	100.00	11,257	1,751,376	-	
MiTAC Technology (Kunshan) Co., Ltd.	Testing, maintenance and display of computer components and related technical advisory services and after-sale services	35,815	2	30,705	-	-	30,705	15,655	100.00	15,655	64	-	
MiTAC Research (Shanghai) Ltd.	Research, development of computer software and related technical advisory services	158,104	2	159,666	-	-	159,666	(33,327)	100.00	(33,327)	439,291	-	
Suzhou MiTAC Preclusion Technology Co., Ltd.	Design and manufacturing of computer chassis and its components, percision plastic injection mould, molding parts and molding equipment processing and maintenance and repair services.	1,527,334	2	414,518	-	-	414,518	87,079	27.44	23,894	693,781	-	
Mio Technology (Suzhou) Ltd.	Sales of automotive electronics, AIoT products	8,125	2	30,551	-	-	30,551	1,182	100.00	1,182	37,092	-	
MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport, export and import trading and warehousing services.	29,513	2	30,705	-	-	30,705	58	100.00	58	41,201	-	
MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	28,431	2	30,705	-	-	30,705	4,477	100.00	4,477	87,757	-	
MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	8,654	1	2,240	-	-	2,240	(6,505)	100.00	(6,505)	10,628	-	
MiTAC Investment Holding Ltd.	General investments	2,939,297	2	921,150	-	-	921,150	(54,161)	100.00	(54,161)	3,634,474	-	
MiTAC Information Systems (Kunshan) Co., Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	1,947,150	3	-	-	-	-	(68,810)	100.00	(68,810)	1,648,594	-	

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Invest in the investees in Mainland China through the company which are located in the third area.
- (3) Others: Invest in Mainland China through investees in Mainland Chian.

Note 2: 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 generated any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C..
  - B. The financial statements were audited and attested by R.O.C. parent company's CPA.
  - C. The financial statements were not audited and attested by independent accountants.
- (3) The basis for investment income (loss) recognition for MiTAC computer (Shunde) Corp. and Shzhou MiTAC Precision Technology Co., Ltd. is category B, the others are category C.

Note 3: Among the accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 of MiTAC Computer (Kunshan) Co., Ltd., MiTAC Investment Holding Ltd remitted out USD 29,900 thousand.

B. Ceiling on investments in Mainland China:

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
MiTAC International Corp.	\$ 4,123,752	\$ 4,999,938	\$ 36,608,084
MiTAC Computing Technology Corp.	2,240	2,240	1,757,501
MiTAC Digital Technology Corp.	22,875	22,875	1,024,653

C. Significant transactions conducted with investees in Mainland China:

For details of other significant transactions, please refer to tables 1 and 5.

MITAC HOLDINGS CORPORATION AND SUBSIDIARIES  
Major shareholders information  
December 31, 2023

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Lien Hwa Industrial Holdings Corp.	105,940,944	8.78 %
MiTAC INC.	101,431,091	8.41 %
UPC Technology Corp.	99,802,598	8.27 %

**MiTAC HOLDINGS CORPORATION**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2023 AND 2022**

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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.



## INDEPENDENT AUDITORS' REPORT

PWCR23000530

To the Board of Directors and Shareholders of MiTAC HOLDINGS CORPORATION

### ***Opinion***

We have audited the accompanying parent company only balance sheets of MiTAC Holdings Corporation (the “Company”) as at December 31, 2023 and 2022, and the parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors, as described in the *Other matter* section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of MiTAC Holdings Corporation as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

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

### ***Emphasis of matter***

We draw attention to Note 6(3) to the parent company only financial statements, which describes that during 2022, the MiTAC Holdings Corporation and its subsidiaries' (the Group's) ownership in the associates, Concentrix Corp., was decreased and the Group lost significant influence over it. As a result, the Company recognised gains on disposal of investments amounting to NT\$9,027,054 thousand. Our opinion is not modified in respect of this matter.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, 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.

As of December 31, 2023, the Company recognised MiTAC International Corporation and its subsidiaries, MiTAC Computing Technology Corporation and its subsidiaries and MiTAC Digital Technology Corporation and its subsidiaries, as investments accounted for using the equity method, please refer to Note 6(3) for the details. The aforementioned investments accounted for using equity method constitute 78% of the Company's total assets. Thus, we consider the following key audit matters of the Company's investees also as key audit matters of the Company.

### **Sales revenue recognition**

#### **Description**

Given that revenues are material to the financial statements of the subsidiaries that are accounted for using the equity method, the various types of products and sales terms, the timing of revenue recognition can only be determined when the controls of ownership for products are transferred to the customers based on contract terms of each different customer. Thus, we identified the sales revenue recognition of investees as a key audit matter.

#### How our audit addressed the matter

We conducted audit procedures, including: discussed with management and evaluated the policy of revenue recognition; assessed the effectiveness of design and implementation of internal controls over recognition of revenue; test sampled the sales transactions including their terms, performance obligations, and prices and verified the supporting documents for deliveries to ensure the proper timing and amounts of recognition; selected sales transactions for a specific period prior to and after the balance sheet date and verified transaction documents to ensure sales revenue are recorded in the proper period.

### **Valuation of inventory**

#### Description

Subsidiaries accounted for using equity method were mainly engaged in manufacturing and selling computers and their peripherals and communications products. Since the industry involved rapidly changing technology and were affected by market demand, there was higher risk of incurring inventory valuation losses or having obsolete inventory. Inventories of investees were measured at the lower of cost and net realisable value. Considering that these inventories were significant, items were voluminous and the valuation is associated with subjective judgement, we identified valuation of inventory of the subsidiaries as a key audit matter.

#### How our audit addressed the matter

We performed audit procedures, including: discussed with management and evaluated the policy of inventory valuation, validated inventory aging report through checking the logic of calculating aged inventories and confirming the appropriateness of categorization of aged inventories; and validated the basis in determining net realizable values of obsolete or slow-moving inventories in order to evaluate the reasonableness of allowance for inventory valuation losses.

### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

***Auditor's responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 independent 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.

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Liu, Chien-Yu

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Li, Tien-Yi

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 23, 2024

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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.

MITAC HOLDINGS CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,524,436	3	\$ 1,302,899	2
1200	Other receivables		1,551	-	220	-
1210	Other receivables - related parties	7	464,461	1	1,265,691	1
1220	Current income tax assets		-	-	7,907	-
1410	Prepayments		1,188	-	1,131	-
11XX	Total current assets		2,991,636	4	2,577,848	3
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(2)	15,089,737	18	15,841,931	19
1550	Investments accounted for using equity method	6(3)	65,607,904	78	63,398,437	78
1600	Property, plant and equipment - net	6(4)	-	-	796	-
1920	Refundable deposits		106	-	106	-
1960	Non-current prepayments for investments		25,000	-	-	-
15XX	Total non-current assets		80,722,747	96	79,241,270	97
1XXX	Total assets		\$ 83,714,383	100	\$ 81,819,118	100

(Continued)

MITAC HOLDINGS CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2200	Other payables		\$ 20,523	-	\$ 33,538	-
2220	Other payables - related parties	7	609,774	1	6,304,498	8
2230	Current income tax liabilities		1,127,758	1	718,910	1
2300	Other current liabilities		118	-	4	-
21XX	Total current liabilities		1,758,173	2	7,056,950	9
Non-current liabilities						
2570	Deferred income tax liabilities	6(13)	269,499	1	258,745	-
2620	Long-term payable to related parties	7	20,361,762	24	13,861,810	17
25XX	Total non-current liabilities		20,631,261	25	14,120,555	17
2XXX	Total Liabilities		22,389,434	27	21,177,505	26
Equity						
	Share capital	6(6)				
3110	Common stock		12,065,568	14	12,065,568	15
	Capital surplus	6(7)				
3200	Capital surplus		22,789,603	27	22,610,906	28
	Retained earnings	6(8)				
3310	Legal reserve		3,887,851	5	2,938,598	3
3350	Unappropriated retained earnings		19,271,079	23	20,434,720	25
	Other equity interest	6(9)				
3400	Other equity interest		3,310,848	4	2,754,695	3
3500	Treasury stocks	6(6)	-	-	(162,874)	-
3XXX	Total equity		61,324,949	73	60,641,613	74
3X2X	Total liabilities and equity		\$ 83,714,383	100	\$ 81,819,118	100

The accompanying notes are an integral part of these parent company only financial statements.



**MiTAC HOLDINGS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(2)(3)		\$ 2,211,820	100	\$ 9,919,393	100
Operating expenses						
6200 General and administrative expenses	6(11)(12) and 7		( 35,715 )	( 2 )	( 43,795 )	-
6900 Operating profit			2,176,105	98	9,875,598	100
Non-operating income and expenses						
7100 Interest income	6(10) and 7		28,250	1	56,713	-
7010 Other income			30	-	-	-
7020 Other gains and losses			( 495 )	-	95,664	1
7050 Finance costs	6(5) and 7		-	-	( 19,706 )	-
7000 Total non-operating income and expenses			27,785	1	132,671	1
7900 <b>Profit before income tax</b>			2,203,890	99	10,008,269	101
7950 Income tax expense	6(13)		( 420,260 )	( 19 )	( 714,055 )	( 7 )
8200 <b>Profit for the year</b>			\$ 1,783,630	80	\$ 9,294,214	94
<b>Other comprehensive income (loss)-net</b>						
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>						
8316 Unrealised (loss) gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)(9)		( \$ 962,883 )	( 43 )	\$ 820,291	8
8330 Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(3)(9)		( 751,511 )	( 34 )	( 1,722,691 )	( 17 )
8310 Components of other comprehensive loss that will not be reclassified to profit or loss			( 1,714,394 )	( 77 )	( 902,400 )	( 9 )
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>						
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(3)(9)		1,886,527	85	2,019,189	20
8360 Components of other comprehensive income that will be reclassified to profit or loss			1,886,527	85	2,019,189	20
8300 <b>Other comprehensive income for the year</b>			\$ 172,133	8	\$ 1,116,789	11
8500 <b>Total comprehensive income for the year</b>			\$ 1,955,763	88	\$ 10,411,003	105
9750 Basic earnings per share	6(14)		\$ 1.48		\$ 7.76	
9850 Diluted earnings per share	6(14)		\$ 1.46		\$ 7.75	

The accompanying notes are an integral part of these parent company only financial statements.

**MITAC HOLDINGS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings		Other Equity Interest		Treasury stocks	Total equity
				Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<b>Year 2022</b>									
Balance at January 1, 2022		\$ 12,065,568	\$ 22,590,282	\$ 1,744,713	\$ 14,549,186	(\$ 2,268,405 )	\$ 4,116,843	(\$ 239,876 )	\$ 52,558,311
Profit for 2022		-	-	-	9,294,214	-	-	-	9,294,214
Other comprehensive income (loss) for 2022		-	-	-	13,527	2,019,189	( 915,927 )	-	1,116,789
Total comprehensive income		-	-	-	9,307,741	2,019,189	( 915,927 )	-	10,411,003
Distribution of 2021 earnings	6(8)	-	-	-	-	-	-	-	-
Legal reserve		-	-	1,193,885	( 1,193,885 )	-	-	-	-
Cash dividends		-	-	-	( 2,413,114 )	-	-	-	( 2,413,114 )
Subsidiaries change of associates accounted for using equity method	6(7)(9)	-	58,881	-	19,366	-	( 19,366 )	-	58,881
Disposal of company's shares by subsidiaries recognised as treasury share transactions	6(6)(7)	-	( 6,300 )	-	-	-	-	77,002	70,702
Subsidiaries received cash dividends paid by the parent company	6(7)	-	18,501	-	-	-	-	-	18,501
Proceeds from disposal of investments by subsidiaries accounted for using equity method	6(7)	-	( 50,927 )	-	717	-	( 717 )	-	( 50,927 )
Subsidiaries disposal of equity instruments measured at fair value through other comprehensive income	6(9)	-	-	-	164,709	-	( 176,922 )	-	( 12,213 )
Capital surplus - dividends unclaimed by the shareholders	6(7)	-	469	-	-	-	-	-	469
Balance at December 31, 2022		\$ 12,065,568	\$ 22,610,906	\$ 2,938,598	\$ 20,434,720	(\$ 249,216 )	\$ 3,003,911	(\$ 162,874 )	\$ 60,641,613
<b>Year 2023</b>									
Balance at January 1, 2023		\$ 12,065,568	\$ 22,610,906	\$ 2,938,598	\$ 20,434,720	(\$ 249,216 )	\$ 3,003,911	(\$ 162,874 )	\$ 60,641,613
Profit for 2023		-	-	-	1,783,630	-	-	-	1,783,630
Other comprehensive income (loss) for 2023		-	-	-	3,000	1,886,527	( 1,717,394 )	-	172,133
Total comprehensive income		-	-	-	1,786,630	1,886,527	( 1,717,394 )	-	1,955,763
Distribution of 2022 earnings	6(8)	-	-	-	-	-	-	-	-
Legal reserve		-	-	949,253	( 949,253 )	-	-	-	-
Cash dividends		-	-	-	( 1,568,524 )	-	-	-	( 1,568,524 )
Subsidiaries change of associates accounted for using equity method	6(7)(9)	-	( 629 )	-	37,585	-	( 37,585 )	-	( 629 )
Disposal of company's shares by subsidiaries recognised as treasury share transactions	6(6)(7)	-	164,225	-	( 11,377 )	-	-	162,874	315,722
Subsidiaries received cash dividends paid by the parent company	6(7)	-	12,026	-	-	-	-	-	12,026
Proceeds from disposal of investments by subsidiaries accounted for using equity method	6(9)	-	-	-	799	-	( 799 )	-	-
Subsidiaries disposal of equity instruments measured at fair value through other comprehensive income	6(9)	-	-	-	( 459,501 )	-	-	-	( 459,501 )
Capital surplus - dividends unclaimed by the shareholders	6(7)	-	992	-	-	-	427,048	-	428,040
Proceeds from disposal of subsidiary's shares	6(7)(9)	-	2,085	-	-	( 1,644 )	-	-	441
Reversal of capital surplus - dividends unclaimed by the subsidiary's shareholder	6(7)	-	( 2 )	-	-	-	-	-	( 2 )
Balance at December 31, 2023		\$ 12,065,568	\$ 22,789,603	\$ 3,887,851	\$ 19,271,079	\$ 1,635,667	\$ 1,675,181	\$ -	\$ 61,324,949

The accompanying notes are an integral part of these parent company only financial statements.

**MiTAC HOLDINGS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 2,203,890	\$ 10,008,269
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(4)(11)	796	796
Share of profit of associates accounted for using equity method	6(3)	( 2,026,997 )	( 9,863,427 )
Interest income	6(10)	( 28,250 )	( 56,713 )
Dividend income	6(2)	( 184,823 )	( 55,966 )
Interest expense	6(5) and 7	-	19,706
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in prepayments		( 57 )	( 125 )
Decrease in other receivables - related parties		-	68,293
Changes in operating liabilities			
(Decrease) increase in other payables		( 13,015 )	9,099
Decrease in other payables - related parties		-	( 26,642 )
Increase (decrease) in other current liabilities		114	( 56 )
Cash (outflow) inflow generated from operations		( 48,342 )	103,234
Receipt of interest income		28,591	55,859
Cash dividend received		1,378,332	1,171,617
Payment of interest expense		-	( 20,619 )
Payment of income tax		( 157,290 )	( 69,610 )
Net cash flows from operating activities		1,201,291	1,240,481
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Loans lent to related parties	7	( 3,547,727 )	( 15,992,705 )
Loans repaid from related parties	7	4,547,727	18,606,882
Proceeds from disposal of investments accounted for using equity method		54,141	-
Acquisition of financial assets at fair value through other comprehensive income		( 210,689 )	( 14,438,890 )
Increase in prepayments for investment		( 25,000 )	-
Net cash flows from (used in) investing activities		818,452	( 11,824,713 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in loans from related parties	6(15) and 7	1,730,472	24,096,530
Repayment of loans to related parties	6(15) and 7	( 961,146 )	( 9,822,809 )
Cash dividends paid	6(8)	( 1,568,524 )	( 2,413,114 )
Capital surplus - dividends unclaimed by the shareholders	6(7)	992	469
Net cash flows (used in) from financing activities		( 798,206 )	11,861,076
Net increase in cash and cash equivalents		1,221,537	1,276,844
Cash and cash equivalents at beginning of year	6(1)	1,302,899	26,055
Cash and cash equivalents at end of year	6(1)	\$ 2,524,436	\$ 1,302,899

The accompanying notes are an integral part of these parent company only financial statements.

MITAC HOLDINGS CORPORATION  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

**1. HISTORY AND ORGANISATION**

- (1) MiTAC Holdings Corporation (the “Company”) was established by MiTAC International Corp. (“MiTAC International”) through a share conversion on September 12, 2013, and on the same date, the competent authority has approved for the Company’s shares to be listed on the Taiwan Stock Exchange (TWSE). MiTAC International became the Company’s wholly-owned subsidiary after conversion. The main business of the Company is investment holding.
- (2) The Company in order to promote specialization of work for transforming and improving overall competitiveness, the Board of Directors of its subsidiary, MiTAC International, has resolved to divest its cloud computing products group to the newly established company, MiTAC Computing Technology Corporation (referred herein as the “MiTAC Computing Technology”), as the consideration for the acquisition of 220,000 thousand newly issued ordinary shares of MiTAC Technology on the spin-off day, September 1, 2014. In addition, in 2017, the Board of Directors of MiTAC International has resolved to divest its mobile communication products group to the newly established company, MiTAC Digital Technology Corporation (referred herein as the “MiTAC Digital Technology”), as the consideration for the acquisition of 100,000 thousand newly issued ordinary shares of MiTAC Digital Technology on the spin-off day, January 1, 2018. As a result, MiTAC International, MiTAC Computing Technology and MiTAC Digital Technology are the wholly-owned subsidiaries of the Company after the spin-off.

**2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION**

These parent company only financial statements were authorised for issuance by the Board of Directors on February 23, 2024.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATION**

- (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 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 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 Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become 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 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 Company's financial condition and financial performance based on the Company'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 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 MATERIAL 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 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, this parent company only financial statements have been prepared under the historical cost convention:

Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in compliance 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

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

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 recognized 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 recognized 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 recognized 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 recognized 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.

(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 realized, 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 realized 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 extended unconditionally to more than 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 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 and debt instruments which meet all of the following criteria:
- (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- 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.

(7) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost (including accounts receivable or contract assets that have a significant financing component, lease receivables, loan commitments and financial guarantee contracts), 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.

(8) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

The Company derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights of 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.

(9) Investments accounted for using equity method / subsidiary/ associates

- A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately the share of profit and loss and other comprehensive income in the statement of comprehensive income as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognize its share in the subsidiary's loss



proportionately.

- D. According to “Regulations Governing the Preparation of Financial Statements by Securities Issuers”, “Profit for the year” and “Other comprehensive income for the year” reported in an entity's parent company only statement of comprehensive income, shall be equal to “profit for the year” and “Other comprehensive income” attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall be equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.
- E. 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 recognized at cost.
- F. 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 recognized 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 recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. 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 change in ownership interests in the associate in ‘capital surplus’ in proportion to its ownership.
- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. Unrealized 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.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company’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. 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.
- J. 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 recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- K. 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. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(10) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized 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 discarded assets is derecognized when critical repairs are incurred, and other repair expenses are charged to profit or loss for the period when they incur.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost 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 transportation equipment are 5 years.

(11) 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 recognized 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. When the circumstances or reasons for recognizing 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 amortized historical cost would have been if the impairment had not been recognized.

(12) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(13) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. 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.

(14) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(15) Employee benefits

A. Short-term employee benefits

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

B. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, 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. If employee compensation is distributed by shares, the Company calculates the numbers of shares based on the closing price at the previous day of the board meeting resolution.

(16) Income tax

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

company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business entity that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. 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 income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income 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 realize the asset and settle the liability simultaneously.

(17) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(18) 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.

## 5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these 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. The judgement and assumptions made by the Company in applying its accounting policies and concerning future events do not involve significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company has no uncertainty on critical judgements, estimates and assumptions of accounting policies.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents:		
Checking accounts and demand deposits	\$ 32,799	\$ 42,899
Cash equivalents:		
Time deposits	2,091,637	1,180,000
Repurchased bonds	<u>400,000</u>	<u>80,000</u>
Total	<u>\$ 2,524,436</u>	<u>\$ 1,302,899</u>

A. The Company 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. The Company has no cash and cash equivalents pledged to others.

### (2) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Listed stocks	\$ 14,410,537	\$ 14,410,537
Emerging stocks	351,560	-
Unlisted stocks	<u>459,651</u>	<u>600,522</u>
Subtotal	15,221,748	15,011,059
Valuation adjustment	<u>( 132,011)</u>	<u>830,872</u>
Total	<u>\$ 15,089,737</u>	<u>\$ 15,841,931</u>

A. The Company recognised (\$962,883) and \$820,291 in other comprehensive income for fair value change for the years ended December 31, 2023 and 2022, respectively.

B. The Company has elected to designate the above investments, which were held mainly for medium to long-term trading purposes, as investments in equity instruments measured at fair value through other comprehensive income. As of December 31, 2023 and 2022, the fair value of investments were \$15,089,737 and \$15,841,931, respectively.

C. The Company received dividend income of \$184,823 and \$55,966 for the years ended December 31, 2023 and 2022, respectively.

(3) Investments accounted for under the equity method

A.

<u>Investee company</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries		
Mitac International Corporation	\$ 61,013,474	\$ 58,759,093
Mitac Computing Technology Corporation	2,929,168	2,839,880
Mitac Digital Technology Corporation	1,604,857	1,732,976
Associates		
Infopower Technologies Ltd.	60,405	66,488
	<u>\$ 65,607,904</u>	<u>\$ 63,398,437</u>

- B. The Company's recognised share of profit from associates accounted for under the equity method for the years ended December 31, 2023 and 2022 were \$2,026,997 and \$9,863,427, respectively, and recognised share of other comprehensive income from associates accounted for under the equity method were \$1,135,016 and \$296,498, respectively.
- C. The subsidiary of the Company- Silver Star Developments Ltd. originally held 9.49% ownership in Concentrix Corp. but has significant influence over Concentrix Corp. as the subsidiary of the company is the major shareholder of Concentrix Corp.. On July 20, 2022, this company sold part of its ownership in Concentrix Corp. and resulting in a decrease in the ownership held by the subsidiary of the Company and the subsidiary of the Company lost significant influence over it. On the same day, the subsidiary of the Company reclassified it from investments accounted for using equity method at book value to financial assets at fair value through other comprehensive income based on the remeasurement at fair value, and recognised the difference as gains on disposal of investments amounting to \$ 9,027,054. The Company also recognised the share of profit of associates accounted for using equity amounting to \$ 9,027,054.
- D. The Company received the cash dividends from MiTAC International Corp. for the years ended December 31, 2023 and 2022 amounting to \$1,000,000 and \$900,000, respectively. The Company received the stock dividends from MiTAC International Corp. for the years ended December 31, 2023 and 2022 amounting to \$7,328,447 and \$9,735,691, respectively.
- E. The Company received the cash dividends from MiTAC Computing Technology Corp. for the years ended December 31, 2023 and 2022 amounting to \$0 and \$198,712, respectively.
- F. The Company received the cash dividends from MiTAC Digital Technology Corp. for the years ended December 31, 2023 and 2022 amounting to \$193,509 and \$ 16,939, respectively.
- G. For the information on subsidiaries of the Company, please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023.
- H. The carrying amount of the Company's interests in all individually immaterial associates and

the Company's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$60,405 and \$66,488, respectively.

	For the year ended December 31,	
	2023	2022
Loss for the period from continuing operations	(\$ 13,898)	(\$ 4,911)
Total comprehensive loss	(\$ 13,898)	(\$ 4,911)

- I. The financial year-end date of Infopower Technologies Ltd. is March 31. However, the preparation of the Company's parent company only financial statements is based the financial information of Infopower Technologies Ltd. during the period from January 1 to December 31.

(4) Property, plant and equipment

	For the year ended December 31,	
	2023	2022
Transportation equipment:		
Opening net book amount as at January 1	\$ 796	\$ 1,592
Depreciation	( 796)	( 796)
Closing net book amount as at December 31	\$ -	\$ 796
At December 31		
Cost	\$ -	\$ 3,980
Accumulated depreciation	-	( 3,184)
	\$ -	\$ 796

(5) Short-term borrowings

As of December 31, 2023 and 2022: None.

Interest expense recognised in profit or loss amounted to \$0 and \$10,478 for the years ended December 31, 2023 and 2022, respectively.

(6) Share capital

- A. As of December 31, 2023, the Company's authorized capital was \$15,000,000, consisting of 1.5 billion shares, and the paid-in capital was \$12,065,568 with a par value of \$10 per share. Movements in the number of the Company's ordinary shares outstanding are as follows:  
Unit: in thousands of shares

	2023	2022
Outstanding shares as of January 1	1,197,306	1,195,178
Disposal of the Company's treasury shares by subsidiaries	9,250	2,128
Outstanding shares as of December 31	1,206,556	1,197,306

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

As of December 31, 2023: None.

Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares (shares in thousands)	Carrying amount
Subsidiary - Tsu Fung Investment Corp.	Stock conversion	9,250	\$ 162,874

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) In accordance with the Financial Supervisory Commission, Securities and Futures Bureau, No.1010047490, the Company shall not appropriate special reserve proportionately to the shareholding ratio for the difference of ending market price below the carrying amount of the parent's stock held by the subsidiaries. If the market price reverses subsequently, the reversal amount shall be appropriated as special reserve proportionately to the shareholding ratio.
- (f) In 2023, the subsidiary, SSDL disposed 9,250 thousand shares of the Company amounting to \$327,099. In 2022, the subsidiary, SSDL disposed 2,128 thousand shares of the Company amounting to \$70,702.



(7) Capital surplus

	Share premium	Treasury stock transactions	Net equity of associates and joint ventures accounted for under the equity method	Changes in ownership interests in subsidiaries	Employee stock options	Difference between consideration and carrying amount of subsidiary acquired or disposed	Others	Total
At January 1, 2023	\$ 21,571,329	\$ 480,778	\$ 209,447	\$ 609	\$ 346,814	\$ -	\$ 1,929	\$ 22,610,906
Subsidiaries received cash dividends paid by the parent company	-	12,026	-	-	-	-	-	12,026
Changes from associates and joint ventures accounted for using the equity method	-	-	( 629)	-	-	-	-	( 629)
Disposal of company's share by subsidiaries recognised as treasury share transactions	-	164,225	-	-	-	-	-	164,225
Reversal of capital surplus - dividends unclaimed by the subsidiary's shareholder							( 2)	( 2)
Capital surplus - dividends unclaimed by the shareholders	-	-	-	-	-	-	992	992
Difference between consideration and carrying amount of subsidiary disposed	-	-	-	-	-	2,085	-	2,085
At December 31, 2023	<u>\$ 21,571,329</u>	<u>\$ 657,029</u>	<u>\$ 208,818</u>	<u>\$ 609</u>	<u>\$ 346,814</u>	<u>\$ 2,085</u>	<u>\$ 2,919</u>	<u>\$ 22,789,603</u>

	Share premium	Treasury stock transactions	Net equity of associates and joint ventures accounted for under the equity method	Changes in ownership interests in subsidiaries	Employee stock options	Others	Total
At January 1, 2022	\$ 21,571,329	\$ 468,577	\$ 201,493	\$ 609	\$ 346,814	\$ 1,460	\$ 22,590,282
Subsidiaries received cash dividends paid by the parent company	-	18,501	-	-	-	-	18,501
Changes from associates and joint ventures accounted for using the equity method	-	-	58,881	-	-	-	58,881
Disposal of company's share by subsidiaries recognised as treasury share transactions	-	( 6,300)	-	-	-	-	( 6,300)
Capital surplus - dividends unclaimed by the shareholders	-	-	-	-	-	469	469
Investment adjustment for disposal of subsidiaries using the equity method	-	-	( 50,927)	-	-	-	( 50,927)
At December 31, 2022	<u>\$ 21,571,329</u>	<u>\$ 480,778</u>	<u>\$ 209,447</u>	<u>\$ 609</u>	<u>\$ 346,814</u>	<u>\$ 1,929</u>	<u>\$ 22,610,906</u>

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 capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal

reserve is insufficient.

(8) 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' accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall also be set aside or reversed pursuant to the regulations. Appropriation of the remainder along with prior year's accumulated unappropriated retained earnings shall be proposed by the Board of Directors, and shall be resolved by the stockholders when they are appropriated by issuing new shares. If the appropriation of retained earnings was appropriated in the form of cash, the appropriation should be in line with Article 240-5 of the Company Act, as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- B. Earnings appropriation ratio and cash dividends ratio are decided by the Board of Directors, taking into account the Company's financial structure, future capital requirements and profitability, and cash dividends shall account for at least 10% of the total dividends appropriated. Earnings appropriation ratio and cash dividends ratio are subject to adjustments.
- 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.
- In line with Article 241 of the Company Act, all or part of the legal reserve and capital reserve could be appropriated as cash dividends as resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.
- 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 appropriation of 2022 earnings had been resolved all the shareholders' meeting on May 29, 2023. Details are summarised below:

	<u>For the year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve	\$ 949,253	
Cash dividend	<u>1,568,524</u>	<u>\$ 1.30</u>
Total	<u>\$ 2,517,777</u>	<u>\$ 1.30</u>

F. On February 23, 2024, the appropriation of earnings for the year ended December 31, 2023 proposed by the Board of Directors and to be approved by the shareholders is as follows:

	<u>For the year ended December 31, 2023</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Legal reserve	\$ 135,414	
Cash dividend	<u>1,568,524</u>	\$ 1.30
Total	<u>\$ 1,703,938</u>	<u>\$ 1.30</u>

(9) Other equity items

	<u>2023</u>		
	<u>Unrealised gains (losses) on valuation</u>	<u>Currency translation</u>	<u>Total</u>
At January 1	\$ 3,003,911	(\$ 249,216)	\$ 2,754,695
Reclassified to retained earnings upon disposal			
- Subsidiaries and Associates	-	1,317	1,317
Reclassified to retained earnings upon disposal			
- Subsidiaries and Associates	388,664	-	388,664
Proceeds from disposal of subsidiary's shares	- (	1,644) (	1,644)
Revaluation			
- The Company	( 962,883)	- (	962,883)
- Subsidiaries and Associates	754,511)	- (	754,511)
( Currency translation differences			
-Subsidiaries and Associates	-	1,885,210	1,885,210
At December 31	<u>\$ 1,675,181</u>	<u>\$ 1,635,667</u>	<u>\$ 3,310,848</u>
	<u>2022</u>		
	<u>Unrealised gains (losses) on valuation</u>	<u>Currency translation</u>	<u>Total</u>
At January 1	\$ 4,116,843	(\$ 2,268,405)	\$ 1,848,438
Reclassified to profit or loss upon disposal			
- Subsidiaries and Associates	-	414,667	414,667
Reclassified to retained earnings upon disposal			
- Subsidiaries and Associates	( 197,005)	- (	197,005)
Revaluation			
- The Company	820,291	-	820,291
- Subsidiaries and Associates	( 1,736,218)	- (	1,736,218)
Currency translation differences			
-Subsidiaries and Associates	-	1,604,522	1,604,522
At December 31	<u>\$ 3,003,911</u>	<u>(\$ 249,216)</u>	<u>\$ 2,754,695</u>

(10) Interest income

	For the year ended December 31,	
	2023	2022
Interest income from bank deposits	\$ 14,078	\$ 1,017
Other interest income	3,967	67
Interest income from loan to related parties	10,205	55,629
Total	<u>\$ 28,250</u>	<u>\$ 56,713</u>

(11) Expenses by nature

	For the year ended December 31,	
	2023	2022
Employee benefit expense	\$ 10,873	\$ 18,773
Depreciation	796	796
Total	<u>\$ 11,669</u>	<u>\$ 19,569</u>

(12) Employee benefit expense

	For the year ended December 31,	
	2023	2022
Wage and salaries	\$ 3,413	\$ 11,225
Directors' remuneration	7,460	7,548
Total	<u>\$ 10,873</u>	<u>\$ 18,773</u>

- A. According to the amended Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 0.1% for employees and not be higher than 1% for directors. If a company has an accumulated deficit, earnings should be reserved to cover losses. Employees' compensation can be distributed in cash or shares and shall be distributed to the employees of subsidiaries of the Company who meet certain specific requirements. The Chairman of the Board is authorised to set the qualification requirements.
- B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued no less than 0.1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration. Directors' remuneration were accrued under 1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration.
- C. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$2,213 and \$10,025, respectively; and directors' remuneration was accrued at \$6,500 and \$6,500, respectively. The aforementioned amounts were recognised in salary expenses. Employees' cash bonus and directors' remuneration of 2023 and 2022 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2023 and 2022 parent company only financial statements.

- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(13) Income tax

- A. Components of income tax expense:

	For the year ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 57,462	\$ 38,530
Tax on undistributed surplus earnings	348,738	416,592
Prior year income tax underestimation	3,306	188
Total current income tax	<u>409,506</u>	<u>455,310</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>10,754</u>	<u>258,745</u>
Income tax expense	<u>\$ 420,260</u>	<u>\$ 714,055</u>

- B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 440,778	\$ 2,001,653
Tax effects from expense disallowed by tax regulation	59	59
Tax exempt income by tax regulation	( 400,652)	( 1,967,241)
Changes in valuation of deferred income tax liabilities	10,754	258,745
Prior year income tax underestimation	3,306	188
Effects from foreign income	17,277	4,059
Tax on undistributed earnings	<u>348,738</u>	<u>416,592</u>
Income tax expense	<u>\$ 420,260</u>	<u>\$ 714,055</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity December 31
Temporary differences:				
-Deferred tax liabilities:				
Equity Investment	\$ 258,745	\$ 10,754	\$ -	\$ -
				\$ 269,499
2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity December 31
Temporary differences:				
-Deferred tax liabilities:				
Equity Investment	\$ -	\$ 258,745	\$ -	\$ -
				\$ 258,745

D. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(14) Earnings per share

For the year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,783,630	1,201,931	\$ 1.48
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,783,630		
Less: Effect of dilutive potential common stocks issued by investee companies	( 23,786)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	97	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ 1,759,844	1,202,028	\$ 1.46

For the year ended December 31, 2022			
	Amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>	<u>after tax</u>		
Profit attributable to ordinary shareholders	\$ 9,294,214	1,197,306	\$ 7.76
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 9,294,214		
Less: Effect of dilutive potential common stocks issued by investee companies	( 11,811)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	394	
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	\$ 9,282,403	1,197,700	\$ 7.75

Basic earnings per share is calculated with the gain or loss attributable to the shareholders of the ordinary shares issued by the Company, divided with outstanding weighted average ordinary shares during the period, and deducted with weighted average treasury shares.

(15) Changes in liabilities from financing activities

	Loan from related parties	Liabilities from financing activities-gross
At January 1, 2023	\$ 20,087,899	\$ 20,087,899
Changes in cash flow	769,325	769,325
At December 31, 2023	\$ 20,857,224	\$ 20,857,224
	Loan from related parties	Liabilities from financing activities-gross
At January 1, 2022	\$ 5,814,178	\$ 5,814,178
Changes in cash flow	14,273,721	14,273,721
At December 31, 2022	\$ 20,087,899	\$ 20,087,899

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Mitac International Corporation	Subsidiary
Mitac Computing Technology Corporation	Subsidiary
Mitac Digital Technology Corporation	Subsidiary
Tsu Fung Investment Corporation	Subsidiary
Silver Star Development Ltd. and subsidiaries	Subsidiary
Mitac Technology UK, Ltd. and subsidiary	Subsidiary
Lien Hwa Industrial Corp. and subsidiaries	Common Chairman
Harbinger VIII Venture Capital Corp	The Company was this company's director
Whetron Electronics Co., Ltd.	The Company was this company's director

### (2) Significant related party transactions and balances

#### A. Receivables from related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other receivables (excluding loans to subsidiaries):		
Subsidiaries	\$ <u>464,461</u>	\$ <u>265,691</u>

Other receivables are mainly about tax paid on behalf of subsidiaries under consolidated tax return.

#### B. Payables to related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other payables (excluding loans from subsidiaries):		
Subsidiaries	\$ <u>114,312</u>	\$ <u>78,410</u>

Other payables are mainly about tax refund received on behalf of subsidiaries under consolidated tax return.



C. Property transactions

Acquisition of financial assets

			For the year ended December 31, 2023
			Acquisition amount
Other related parties- MiTAC Advance Technology Corp.	Number of shares traded 10,000 thousand shares	Subject of the transaction MiTAC Advance Technology Corp.	\$ 160,000
			For the year ended December 31, 2022
	Number of shares traded	Subject of the transaction	Acquisition amount
Subsidiaries- Sliver Star Developments Ltd.	2,403 thousand shares	TD Synnex Corp.	\$ 6,660,787
Subsidiaries- Sliver Star Developments Ltd.	1,978 thousand shares	Concentrix Corp.	\$ 7,615,093
Other related parties- Harbinger VIII Venture Capital Corp.	Cash capital increase and subscription of new shares in 3,750 thousand shares	Harbinger VIII Venture Capital Corp.	\$ 37,500
Other related parties- Whetron Electronics Co., Ltd.	Cash capital increase and subscription of new shares in 2,239 thousand shares	Whetron Electronics Co., Ltd.	\$ 89,560

D. Lease arrangements — lessee

(a) For the years ended December 31, 2023 and 2022, the Company leased offices from a subsidiary, Mitac International Corp. The lease terms are 5 years.

(b) Rent expense

	For the year ended December 31,	
	2023	2022
Subsidiaries	\$ 25	\$ 23

E. Loans to /from related parties

(a) Loans to related parties:

i. Outstanding balance:

As of December 31, 2023: None.

	December 31, 2022	
	Balance	Expiry Date
Subsidiary - Mitac Computing Technology Corp.	\$ 1,000,000	2023/3/3

ii. Interest income

	For the year ended December 31,	
	2023	2022
Subsidiary - Mitac International Corporation	\$ 5,628	\$ -
Subsidiary - Mitac Digital Technology Corp.	-	12,078
Subsidiary - Mitac Computing Technology Corp.	4,577	42,794
Other subsidiaries	-	757
Total	<u>\$ 10,205</u>	<u>\$ 55,629</u>

The loans to subsidiaries are with a credit term of 1 year and carry interest at 1.38%-2.5% and 0.38%-2.5% per annum for the years ended December 31, 2023 and 2022, respectively. The amounts of loan to and repayment from related parties were \$3,547,727 and \$4,547,727 , respectively, for the year ended December 31, 2023. The amounts of loan to and repayment from to related parties were \$15,992,705 and \$18,606,882, respectively, for the year ended December 31, 2022.

F. Loans from related parties

(1) Outstanding balance:

	December 31, 2023	
	Balance	Expiry Date
Other payables - current		
Subsidiary - Silver Star Developments Ltd.	<u>\$ 495,462</u>	2024/2/16
Other payables - non-current		
		2032/2/6
		2032/4/27
Subsidiary - Silver Star Developments Ltd.	20,361,762	2032/6/19
		2032/10/2
		2033/6/26
		2033/7/26
Total	<u>\$ 20,857,224</u>	
	December 31, 2022	
	Balance	Expiry Date
Other payables - current		
Subsidiary - Silver Star Developments Ltd.	<u>\$ 6,226,088</u>	2023/6/19
		2023/7/26
Other payables - non-current		
Subsidiary - Silver Star Developments Ltd.	<u>13,861,810</u>	2032/10/2
Total	<u>\$ 20,087,898</u>	

(2) Interest expense

	For the year ended December 31,	
	2023	2022
Subsidiary - Mitac Computing Technology Corp.	\$ -	\$ 4,217
Subsidiary - Mitac Digital Technology Corp.	-	3,492
Other subsidiaries	-	1,519
Total	<u>\$ -</u>	<u>\$ 9,228</u>

The loans from subsidiaries are with the credit terms of 1 year to 10 years and carry interest at 0% and 0%-2.5% per annum for the years ended December 31, 2023 and 2022, respectively. The amounts of loan from and repayment to related parties were \$1,730,472 and \$961,146, respectively, for the year ended December 31, 2023. The amounts of loan from and repayment to related parties were \$24,096,530 and \$9,822,809, respectively, for the year ended December 31, 2022.

G. Endorsements and guarantees provided to related parties:

	December 31, 2023	December 31, 2022
Subsidiary - Mitac Computing Technology Corp.	\$ 884,305	\$ 577,348
Subsidiary - Mitac Technology UK, Ltd. and its subsidiaries	1,750,185	92,130
Subsidiary - Others	4,094	4,095
Total	<u>\$ 2,638,584</u>	<u>\$ 673,573</u>

H. Expenses:

	For the year ended December 31,	
	2023	2022
Expenses:		
Subsidiary - Mitac International Corp.	\$ 12,400	\$ 12,400
Other related parties	2,179	2,106
Total	<u>\$ 14,579</u>	<u>\$ 14,506</u>

Expenses mainly pertain to services and other miscellaneous expenses.

(3) Key management compensation

	For the year ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	<u>\$ 7,268</u>	<u>\$ 10,716</u>

8. PLEDGED ASSETS: None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS:

(1) Contingencies: None.

(2) Commitments: None.

10. SIGNIFICANT DISASTER LOSS: None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: None.

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.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	<u>\$ 15,089,737</u>	<u>\$ 15,841,931</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 2,524,436	\$ 1,302,899
Other receivables	1,551	220
Other receivables - related parties	464,461	1,265,691
Refundable deposits	<u>106</u>	<u>106</u>
	<u>\$ 2,990,554</u>	<u>\$ 2,568,916</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Other accounts payable	\$ 20,523	\$ 33,538
Other accounts payable - related parties (including non-current portion)	<u>20,971,536</u>	<u>20,166,308</u>
	<u>\$ 20,992,059</u>	<u>\$ 20,199,846</u>

B. Financial risk management policies

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 overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

### C. Significant financial risks and degrees of financial risks

#### (a) Market risk

##### Price risk

- i. The Company's equity securities, which are exposed to price risk, are 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 and controls the risk.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. 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% with all other variables held constant, other components of equity would have increased/decreased by \$150,897 and \$158,419 for the years ended December 31, 2023 and 2022, respectively, as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

##### Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings. However, the Company's borrowings were stated at fixed interest rate, thus the interest rate has no significant impact to the Company.

#### (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 financial instruments settled based on the agreement.
- ii. For banks and financial institutions, only the institutions with good credit quality are accepted as counterparties.

#### (c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Group treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled 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 and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

##### Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
<u>December 31, 2023</u>				
Other payables	<u>\$ 630,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$20,361,762</u>

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Over 3 years</u>
Other payables	<u>\$ 6,338,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,861,810</u>

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, other receivables, refundable deposits and other payables are approximate to their fair values.

C. The related information of financial and non-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, 2022 and 2021 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
<u>financial assets:</u>				
Equity securities	<u>\$ 14,599,826</u>	<u>\$ 194,559</u>	<u>\$ 295,352</u>	<u>\$15,089,737</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
<u>financial assets:</u>				
Equity securities	<u>\$ 15,262,130</u>	<u>\$ 314,209</u>	<u>\$ 265,592</u>	<u>\$15,841,931</u>

(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:

	<u>Listed shares</u>
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
  - v. The Company takes into account adjustments for credit risk to measure 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 year ended December 31, 2023, Whetron Electronics Co., Ltd. was transferred from Level 2 to Level 1; for the year ended December 31, 2022, there was no transfer between Level 1 and Level 2.
- E. The following table presents the changes in level 3 instruments as at December 31, 2023 and 2022:

	Equity securities	
	2023	2022
January 1	\$ 265,592	\$ 179,370
Current purchase	11,689	73,450
Gains recognized in other comprehensive income	18,071	12,772
December 31	<u>\$ 295,352</u>	<u>\$ 265,592</u>

- F. Investment department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, and reviewing the information periodically.
- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes significant unobservable inputs to valuation model used in Level 3 fair value measurements:

Non-derivative equity instrument:	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 295,352	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.

Non-derivative equity instrument:	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 265,592	Net asset value	Net asset value	-	The higher the net asset value, the higher the fair value.

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

December 31, 2023						
Financial assets	Input	Change	Recognized in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 2,954	\$ 2,954

December 31, 2022						
Financial assets	Input	Change	Recognized in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Net asset value	±1%	\$ -	\$ -	\$ 2,656	\$ 2,656

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- 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 NT\$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to consolidated financial statements Notes 6(2) and (15).



J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5 and table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

MiTAC HOLDINGS CORPORATION  
Loans to others  
For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note1)	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)
													Item	Value		
0	MiTAC Holdings Corp.	MiTAC International Corp.	Other receivables-related parties	Y	\$ 2,400,000	\$ 1,200,000	\$ -	1.49311%-1.49378%	2	\$ -	Operations	\$ -	None	\$ -	\$ 23,328,777	\$ 23,328,777
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	3,900,000	500,000	-	1.375%-2.5%	2	-	Operations	-	None	-	23,328,777	23,328,777
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	1,000,000	-	-	0	2	-	Operations	-	None	-	23,328,777	23,328,777
1	MiTAC International Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	500,000	-	-	0	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	4,200,000	4,000,000	1,322,475	1.49378%-5.5%	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	200,000	-	-	0	2	-	Operations	-	None	-	23,635,796	23,635,796
1	MiTAC International Corp.	Shen-Tong Construction & Development Co., Ltd.	Other receivables-related parties	Y	4,755	4,755	4,755	0	2	-	Operations	-	None	-	23,635,796	23,635,796
2	MiTAC Computing Technology Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	700,000	-	-	0	2	-	Operations	-	None	-	1,199,940	1,199,940
2	MiTAC Computing Technology Corp.	MiTAC International Corp.	Other receivables-related parties	Y	700,000	700,000	-	1.49311%-1.49378%	2	-	Operations	-	None	-	1,199,940	1,199,940
2	MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	1,875,300	1,842,300	1,842,300	0	1	14,520,993	Ongoing business	-	None	-	2,999,851	2,999,851
3	MiTAC Digital Technology Corp.	MiTAC Holdings Corp.	Other receivables-related parties	Y	150,000	-	-	0	2	-	Operations	-	None	-	731,279	731,279
3	MiTAC Digital Technology Corp.	MiTAC International Corp.	Other receivables-related parties	Y	430,000	180,000	-	1.49311%-5.5%	2	-	Operations	-	None	-	731,279	731,279
3	MiTAC Digital Technology Corp.	MiTAC Computing Technology Corp.	Other receivables-related parties	Y	500,000	500,000	-	0	2	-	Operations	-	None	-	731,279	731,279
4	Silver Star Developments Ltd.	MiTAC Holdings Corp.	Other receivables-related parties	Y	21,823,348	20,861,762	20,857,224	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC International Corp.	Other receivables-related parties	Y	16,630,710	4,509,500	1,636,348	0	2	-	Operations	-	None	-	18,215,864	18,215,864
4	Silver Star Developments Ltd.	MiTAC International Corp.	Other receivables-related parties	Y	13,459,175	13,459,175	13,459,175	0	1	15,412,969	Ongoing business	-	None	-	15,412,969	91,079,322
4	Silver Star Developments Ltd.	Start Well Technology Ltd.	Other receivables-related parties	Y	931,311	931,311	931,311	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC Benelux N.V.	Other receivables-related parties	Y	69,420	67,960	67,960	0	2	-	Operations	-	None	-	91,079,322	91,079,322
4	Silver Star Developments Ltd.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	2,129,820	921,150	-	0	2	-	Operations	-	None	-	91,079,322	91,079,322
5	Tyan Computer Corp.(USA)	MiTAC Information Systems Corp.	Other receivables-related parties	Y	243,188	230,288	230,288	1.83%	2	-	Operations	-	None	-	1,261,035	1,261,035
6	MiTAC Investment Holding Ltd.	MiTAC Technology (Kunshan) Co., Ltd.	Other receivables-related parties	Y	13,335	-	-	3.85%	2	-	Operations	-	None	-	7,375,588	7,375,588

No. (Note1)	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)
													Item	Value		
6	MiTAC Investment Holding Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	44,450	-	-	0%-4.3%	2	-	Operations	-	None	-	7,375,588	7,375,588
7	MiTAC Research (Shanghai) Ltd.	MiTAC Information Systems (Kunshan) Co., Ltd.	Other receivables-related parties	Y	280,035	216,350	216,350	0%-4.3%	2	-	Operations	-	None	-	944,201	944,201
8	Access Wisdom Holdings Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	35,668	33,776	33,776	0	2	-	Operations	-	None	-	80,144	80,144
9	Mio International Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	22,698	21,494	21,494	0	2	-	Operations	-	None	-	22,253	22,253
9	Mio International Ltd.	Access Wisdom Holdings Ltd.	Other receivables-related parties	Y	22,698	21,494	21,494	0	2	-	Operations	-	None	-	111,263	111,263
10	MiTAC Digital Corp.	MiTAC Information Systems Corp.	Other receivables-related parties	Y	184,230	184,230	184,230	5.3%	2	-	Operations	-	None	-	392,299	392,299

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 nature of loan are as follows:

- (1) Ongoing business
- (2) Short-term financing

Note 3: (1) MiTAC Holdings Corp. (the Company)'s total borrowing amount of short-term financing should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors. The borrowing amount for each borrowing company should not exceed 40% of the net worth of the Company.

(2) MiTAC International Corp.'s total borrowing amount of short-term financing should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors. The borrowing amount for each borrowing company should not exceed 40% of the net worth of the Company.

(3) MiTAC Computing Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors.

(4) For companies with which Mitac Computing Technology Corp. has business dealings, the short-term financing limit should not exceed 100% of the net worth on the latest financial statements audited or reviewed by independent auditors. The limit of loaning to individual company shall not exceed the total amount of estimated business transactions between the two parties in the past two years or the next one year, or 100% of the previously stated net value, whichever is lower. The so-called business transaction amount refers to the total amount of investment, purchase, sales and other transactions between the two parties.

(5) MiTAC Digital Technology Corp.'s short-term financing limit should not exceed 40% of the net worth on the latest financial statements audited or reviewed by independent auditors.

(6) If Silver Star Developments Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(7) If Silver Star Developments Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(8) For companies with which Silver Star Developments Ltd. has business dealings, the individual loan limit is based on the total amount of business dealings in the past five years or 200% of the net value of the company's most recent financial statement that has been audited or reviewed by an accountant, whichever is lower. The total loan limit is limited to 200% of the company's most recent net worth of financial statements that have been audited or reviewed by accountants. The so-called business transaction amount refers to the total amount including but not limited to investment, purchase, sales and other transactions between the two parties.

(9) The borrowing amount and the total borrowing amount of Tyan Computer Corp. (USA) lending to the ultimate parent company and its direct and indirect wholly-owned foreign subsidiaries should not exceed 200% of the net worth on the latest financial statements audited by independent auditors.

(10) If MiTAC Investment Holding Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(11) If MiTAC Research (Shanghai) Ltd. was lending to the ultimate parent company and domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(12) If Access Wisdom Holdings Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(13) If Mio International Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

(14) If Mio International Ltd. was lending to domestic subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 40% of the net worth on the latest financial statements audited by independent auditors.

(15) If MiTAC Digital Technology Corp. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

MiTAC HOLDINGS CORPORATION  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party ( Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	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 (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China
		Company name	Relationship with the endorser/ guarantor (Note 2)										
0	MiTAC Holdings Corp.	Tyan Computer Corp.(USA)	2	\$ 29,160,971	\$ 97,275	\$ 92,115	\$ 92,115	\$ -	0.16 %	\$ 29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	2	29,160,971	933,841	884,305	884,305	-	1.52 %	29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	2	29,160,971	4,324	4,094	4,094	-	0.01 %	29,160,971	Y	N	N
0	MiTAC Holdings Corp.	MiTAC Information Systems Corp.	2	29,160,971	1,658,070	1,658,070	122,820	-	2.84 %	29,160,971	Y	N	N

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 six 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 endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: (1) The endorsement and guarantees amount provided by MiTAC Holdings Corp. to each entity which is directly or indirectly held 50% or more of the voting power by the company should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

- (2) MiTAC Holding Corp's total endorsements and guarantees should not exceed 50% of the net worth on the latest financial statements audited or reviewed by independent auditors.

MiTAC HOLDINGS CORPORATION  
Holding of marketable securities at the end of 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		Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
MiTAC Holdings Corp.	stocks	Synnex Technology International Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	3,103,717	\$ 217,881	0.19	\$ 217,881	
MiTAC Holdings Corp.	stocks	Healthera Corporation	None	Financial assets at fair value through other comprehensive income-non current	72,112	17,794	0.28	17,794	
MiTAC Holdings Corp.	stocks	JVP VIII, L.P.	None	Financial assets at fair value through other comprehensive income-non current	-	121,515	1.16	121,515	
MiTAC Holdings Corp.	stocks	Acorn Pacific Ventures Fund II, LP	None	Financial assets at fair value through other comprehensive income-non current	-	16,804	6.62	16,804	
MiTAC Holdings Corp.	stocks	TOPRAY MEMS INC.	None	Financial assets at fair value through other comprehensive income-non current	1,000,000	4,256	2.19	4,256	
MiTAC Holdings Corp.	stocks	TRANS-IOT TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive income-non current	769,230	12,509	7.47	12,509	
MiTAC Holdings Corp.	stocks	MiTAC Advance Technology Corp.	None	Financial assets at fair value through other comprehensive income-non current	10,000,000	160,000	11.11	160,000	
MiTAC Holdings Corp.	stocks	Whetron Electronics Co., Ltd.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	8,789,000	476,715	11.27	476,715	
MiTAC Holdings Corp.	stocks	Harbinger VIII Venture Capital Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	15,000,000	157,033	11.57	157,033	
MiTAC Holdings Corp.	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	2,403,229	7,940,665	2.70	7,940,665	
MiTAC Holdings Corp.	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-non current	1,977,944	5,964,565	2.98	5,964,565	
MiTAC International Corp.	stocks	Lien Hwa Industrial Holdings Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	44,182,460	2,946,970	2.79	2,946,970	
MiTAC International Corp.	stocks	UPC Technology Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	16,179,560	245,929	1.19	245,929	
MiTAC International Corp.	stocks	COMPUCASE ENTERPRISE CO., LTD.	None	Financial assets at fair value through other comprehensive income-non current	10,000,000	686,000	8.83	686,000	
MiTAC International Corp.	stocks	Synnex Technology International Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	5,245,000	368,199	0.31	368,199	
MiTAC International Corp.	stocks	MiTAC Information Technology Corp.	The Company's chairman was this company's director	Financial assets at fair value through other comprehensive income-non current	6,259,734	100,256	3.68	100,256	
MiTAC International Corp.	stocks	MiTAC INC.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	35,401,218	2,458,836	8.71	2,458,836	
MiTAC International Corp.	stocks	Overseas Investment & Development Corp.	None	Financial assets at fair value through other comprehensive income-non current	1,000,000	13,233	1.11	13,233	
MiTAC International Corp.	stocks	Harbinger Venture Capital Corp.	Same board chairman	Financial assets at fair value through other comprehensive income-non current	27,828	198	14.05	198	

Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
MiTAC International Corp.	stocks	Harbinger VI Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income-non current	3,213,811	39,468	13.28	39,468	
MiTAC International Corp.	stocks	Harbinger VII Venture Capital Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	5,333,333	79,407	9.39	79,407	
MiTAC International Corp.	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	2,064,649	6,821,941	2.32	6,821,941	
MiTAC International Corp.	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-current	2,135,489	6,439,648	3.22	6,439,648	
Tsu Fung Investment Corp.	stocks	Getac Holdings Corp.	None	Financial assets at fair value through other comprehensive income-current	7,783,741	863,995	1.28	863,995	
Tsu Fung Investment Corp.	stocks	UPC Technology Corp.	None	Financial assets at fair value through other comprehensive income-current	17,460,231	265,396	1.28	265,396	
Tsu Fung Investment Corp.	stocks	Synnex Technology International Corp.	None	Financial assets at fair value through other comprehensive income-current	8,217,974	576,902	0.49	576,902	
Tsu Fung Investment Corp.	stocks	PROMISE Technology Inc.	The Company was this company's director	Financial assets at fair value through other comprehensive income-current	2,609,479	33,532	2.92	33,532	
Tsu Fung Investment Corp.	stocks	MiTAC Information Technology Corp.	None	Financial assets at fair value through other comprehensive income-non current	4,594,672	73,588	2.70	73,588	
Tsu Fung Investment Corp.	stocks	MiTAC INC.	None	Financial assets at fair value through other comprehensive income-non current	21,824,887	1,515,957	5.37	1,515,957	
Tsu Fung Investment Corp.	stocks	Tung Da Investment Co., Ltd.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	4,848,125	160,807	19.99	160,807	Note 1
Tsu Fung Investment Corp.	stocks	Harbinger Venture Management Co., Ltd.	The Group's chairman was this company's chairman	Financial assets at fair value through other comprehensive income-non current	862,922	18,665	19.99	18,665	
Tsu Fung Investment Corp.	stocks	Lien Yung Investment Corp.	The Company was this company's director	Financial assets at fair value through other comprehensive income-non current	9,217,196	202,410	19.99	202,410	
Tsu Fung Investment Corp.	stocks	Whetron Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income-non current	375,000	20,340	0.48	20,340	
Tsu Fung Investment Corp.	Funds	UPAMC JAMES BOND Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,150,189	71,158	-	71,158	
Tsu Fung Investment Corp.	Funds	PGIM Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,378,914	71,193	-	71,193	
Silver Star Developments Ltd. and its subsidiaries	stocks	TD Synnex Corp.	None	Financial assets at fair value through other comprehensive income-non current	302,102	998,195	0.34	998,195	
Silver Star Developments Ltd. and its subsidiaries	stocks	Concentrix Corp.	None	Financial assets at fair value through other comprehensive income-non current	302,102	911,000	0.46	911,000	
Silver Star Developments Ltd. and its subsidiaries	stocks	Budworth Investments Ltd.	None	Financial assets at fair value through other comprehensive income-non current	134,908	10	14.83	10	
Silver Star Developments Ltd. and its subsidiaries	stocks	Panasas Inc.	None	Financial assets at fair value through profit or loss-non current	13,913	-	0.04	-	

Note 1: MiTAC International Corp. sold its shares of Tung Da Investment Co., Ltd. to Tsu Fung Investment Corp., and such disposal gain has not yet been realised.

MiTAC HOLDINGS CORPORATION  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Tsu Fung Investment Corp.	MiTAC Holdings Corp.	Financial assets at fair value through profit or loss - current	-	-	9,250,594	\$ 272,893	-	\$ -	9,250,594	\$ 327,099	\$ 288,465	\$ 38,634	-	\$ -	Note1
MiTAC International Corp.	TD Synnex Corp.	Financial assets at fair value through profit or loss - non current	-	-	2,594,649	7,546,651	-	-	530,000	1,631,210	2,058,258	(427,048)	2,064,649	6,821,941	Note1

Note 1: This disposal is selling Financial assets at fair value through other comprehensive income , the result of this disposal will be booked in retained earnings and not impact on profit and loss.

MiTAC HOLDINGS CORPORATION  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms		Notes/accounts receivable (payable)		Footnote
			Purchases /sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	Sales	\$ 1,779,333	11 %	Note 1	Note 3	Note 1	\$ 3,522,578	73 %	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	Purchases	219,190	2 %	Note 2	Note 3	Note 2	-	- %	
MiTAC Computing Technology Corp.	MiTAC Computer (Shunde) Corp.	Affiliate	Purchases	429,183	4 %	Note 2	Note 3	Note 2	(1,657,176)	42 %	
MiTAC Computing Technology Corp.	Tyan Computer Corp.(USA)	Subsidiary	Sales	545,014	3 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Computing Technology Corp.	Synnex Technology International Corp. and its subsidiaries	Other related parties	Purchases	2,663,486	22 %	Note 2	Note 3	Note 2	(67,031)	2 %	
MiTAC Computing Technology Corp.	MiTAC Japan Corp.	Affiliate	Sales	206,230	1 %	Note 1	Note 3	Note 1	51,705	1 %	
MiTAC Digital Technology Corp.	MiTAC Digital Corp.	Subsidiary	Sales	176,657	4 %	Note 1	Note 3	Note 1	-	- %	
MiTAC Digital Technology Corp.	MiTAC Australia Pty Ltd.	Subsidiary	Sales	114,566	2 %	Note 1	Note 3	Note 1	72,826	10 %	
MiTAC Digital Technology Corp.	MiTAC Computer (Kunshan) Ltd.	Affiliate	Purchases	1,233,331	45 %	Note 2	Note 3	Note 2	(1,504,879)	81 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Sales	427,615	4 %	Note 1	Note 3	Note 1	1,663,900	4 %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	Purchases	206,320	2 %	Note 2	Note 3	Note 2	(51,705)	- %	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	Sales	1,233,380	11 %	Note 1	Note 3	Note 1	1,512,385	4 %	
MiTAC Technology UK Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Parent Company	Sales	219,190	1 %	Note 1	Note 3	Note 1	14,084	1 %	
MiTAC Technology UK Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Parent Company	Purchases	2,324,348	16 %	Note 2	Note 3	Note 2	(3,522,578)	57 %	
Access Wisdom Holdings Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Parent Company	Purchases	292,023	97 %	Note 2	Note 3	Note 2	(72,826)	87 %	

Note 1: The Group's credit term for subsidiaries is to collect within 5 months based on the net amount of receivables after offsetting against payables. The Group's credit term for related parties is within 3 months based on the net amount of receivables after offsetting against payables; the credit term for third parties is an average of 3 months after the date of shipment.

Note 2: The Group's payment term for subsidiaries is within 5 months based on the net amount of receivables after offsetting against payables. The Group's payment term related parties within 3 months based on the net amount of receivables after offsetting against payables; the payment term for third parties is an average of 3 months after the date of shipment from the counterparty.

Note 3: The selling price to related parties is based on market value.



MiTAC HOLDINGS CORPORATION  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Accounts receivable	Other receivables	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
						Amount	Action taken			
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Subsidiary	\$ -	\$ 307,478	-	\$ -	Not Applicable	\$ -	\$ -	
MiTAC Computing Technology Corp.	MiTAC Information Systems Corp.	Subsidiary	3,522,578	3,671	0.43	2,583,572	Subsequent collection	87,685	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Computing Technology Corp.	Affiliate	1,663,900	49,576	0.26	-	Not Applicable	708,143	-	
Silver Star Developments Ltd. and its subsidiaries	MiTAC Digital Technology Corp.	Affiliate	1,512,385	1,478	1.10	-	Not Applicable	137,869	-	

MiTAC HOLDINGS CORPORATION  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
0	MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	1	Other receivables	\$ 307,478		0.35 %	
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other operating revenue	144,509		0.16 %	
1	MiTAC International Corp.	MiTAC Computing Technology Corp.	3	Other receivables	1,363,610		1.54 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Sales	2,324,348	Note 4	6.54 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Purchases	219,190	Note 5	0.62 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Accounts receivable	3,522,578	Note 4	3.97 %	
2	MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	3	Other receivables	1,845,971		2.08 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Sales	206,320	Note 4	0.58 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	427,615	Note 5	1.20 %	
2	MiTAC Computing Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,663,900	Note 5	1.87 %	
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC Holdings Corp.	2	Other receivables	20,857,224		23.50 %	
3	Silver Star Developments Ltd. and its subsidiaries	MiTAC International Corp.	3	Other receivables	15,104,377		17.02 %	
4	MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd. and its subsidiaries	3	Sales	292,023	Note 4	0.82 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Purchases	1,233,380	Note 5	3.47 %	
4	MiTAC Digital Technology Corp.	Silver Star Developments Ltd. and its subsidiaries	3	Accounts payable	1,512,385	Note 5	1.70 %	
5	Access Wisdom Holdings Ltd. and its subsidiaries	MiTAC Technology UK Ltd. and its subsidiaries	3	Other receivables	185,187		0.21 %	

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:

- (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 Group's credit term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables, which takes into consideration the reasonable amount of time for the Company to ship the products to each company and for the collection of the accounts. The company's sales price with related parties is based on the international market trends and the region the sales were made.

Note 5: The Group's payment term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables after checking and the transaction price is based on the international market trends and the region the sales were made.

Note 6: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MiTAC HOLDINGS CORPORATION  
Information on investees (Does not include Mainland China invested companies)  
For the year ended December 31, 2023

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	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	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
MiTAC Holdings Corp.	MiTAC International Corp.	Taiwan	Development, design, manufacturing and sales of computers and peripherals, communications and related products	\$ 24,739,187	\$ 24,739,187	4,099,434,336	100.00	\$ 61,013,474	\$ 1,837,616	\$ 1,825,590	Subsidiary
MiTAC Holdings Corp.	MiTAC Computing Technology Corp.	Taiwan	Development, design, manufacturing and sales of computers and peripherals, communications and related products	3,419,621	3,419,621	232,757,102	100.00	2,929,168	92,363	88,726	Subsidiary
MiTAC Holdings Corp.	MiTAC Digital Technology Corp.	Taiwan	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	1,497,202	1,547,485	99,749,000	94.01	1,604,857	123,431	118,716	Subsidiary
MiTAC Holdings Corp.	Infopower Technologies Private Ltd.	India	Manufacture and sale of electronic product.	71,010	71,010	6,774,199	33.33	60,405	(13,898)	(6,035)	Associate
MiTAC International Corp.	Getac Holdings Corp.	Taiwan	Manufacturing and sale of notebook computers, military and industrial computer systems, etc.	1,391,549	1,391,549	190,396,939	31.22	6,689,677	3,744,542	-	Associate
MiTAC International Corp.	Tsu Fung Investment Corp.	Taiwan	General investments	625,000	625,000	142,884,651	100.00	4,411,672	153,607	-	Subsidiary
MiTAC International Corp.	3 Probe Technology Co., Ltd.	Taiwan	Information process service, sales of software and international trading.	13,420	16,839	744,154	23.25	9,891	4,414	-	Associate
MiTAC International Corp.	Lian Jie Investment Co., Ltd.	Taiwan	General investments	113,057	113,057	11,305,650	49.98	213,416	(1,618)	-	Associate
MiTAC International Corp.	Lian Jie II Investment Co., Ltd.	Taiwan	General investments	32,500	32,500	3,250,000	32.50	42,207	1,198	-	Associate
MiTAC International Corp.	Silver Star Developments Ltd. and its subsidiaries	British Virgin Islands	General investments	5,365,669	5,365,669	176,299,302	100.00	45,510,568	(80,531)	-	Subsidiary
MiTAC International Corp.	Shen-Tong Construction & Development Co., Ltd.	Taiwan	Building and factory construction, leasing and sales.	90,349	90,349	9,034,922	47.55	85,380	(449)	-	Associate
MiTAC Computing Technology Corp.	MiTAC Technology UK Ltd. and its subsidiaries	UK	General investments	1,576,631	1,576,631	55,146,137	100.00	727,835	(56,481)	-	Subsidiary
MiTAC Computing Technology Corp.	Hyve Design Solutions Corporation	USA	Assemble and sales of computer and peripheral equipment.	341,366	341,366	1,600,000	50.00	-	-	-	Associate
MiTAC Digital Technology Corp.	Mio International Ltd. and its subsidiaries	British Virgin Islands	General investments	69,936	69,936	1,275,001	100.00	85,139	1,182	-	Subsidiary
MiTAC Digital Technology Corp.	Access Wisdom Holdings Limited and its subsidiaries	British Virgin Islands	General investments	-	-	48,500,000	100.00	211,751	15,427	-	Subsidiary
Silver Star Developments Ltd. and its subsidiaries	Mainpower International Ltd.	British Virgin Islands	General investments	168,878	168,878	5,500,001	13.28	271,562	72,622	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi Venture Ltd.	British Virgin Islands	General investments	30,705	30,705	1,000,000	28.57	23,498	2,419	-	Associate
Silver Star Developments Ltd. and its subsidiaries	Harbinger Ruyi II Venture Ltd.	British Virgin Islands	General investments	30,705	30,705	10,000	32.26	77,746	2,347	-	Associate

Investor	Investee	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	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Tsu Fung Investment Corp.	MiTAC Digital Technology Corp.	Taiwan	Development, design, manufacturing and sale of automotive electronics and AIoT products and software	16	16	1,000	-	16	123,431	-	Subsidiary

MiTAC HOLDINGS CORPORATION  
Information on investments in Mainland China  
For the year ended December 31, 2023

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

A. Invested information in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	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 Mainland China	Remitted back to Taiwan							
MiTAC Computer (Shunde) Corp.	Manufacture of computer frame, motherboard, interface card, display, power supply, keyboard, related metal stamping parts and plastic parts and maintenance of motherboard	\$ 1,803,085	2	\$ 1,225,152	\$ -	\$ -	\$ 1,225,152	\$ (82,061)	100.00	\$ (82,061)	\$ 2,723,163	\$ -	
MiTAC Computer (Kunshan) Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	1,170,475	2	1,799,313	-	-	1,799,313	11,257	100.00	11,257	1,751,376	-	
MiTAC Technology (Kunshan) Co., Ltd.	Testing, maintenance and display of computer components and related technical advisory services and after-sale services	35,815	2	30,705	-	-	30,705	15,655	100.00	15,655	64	-	
MiTAC Research (Shanghai) Ltd.	Research, development of computer software and related technical advisory services	158,104	2	159,666	-	-	159,666	(33,327)	100.00	(33,327)	439,291	-	
Suzhou MiTAC Preclusion Technology Co., Ltd.	Design and manufacturing of computer chassis and its components, percision plastic injection mould, molding parts and molding equipment processing and maintenance and repair services.	1,527,334	2	414,518	-	-	414,518	87,079	27.44	23,894	693,781	-	
Mio Technology (Suzhou) Ltd.	Sales of automotive electronics, AIoT products	8,125	2	30,551	-	-	30,551	1,182	100.00	1,182	37,092	-	
MiTAC Logistic Service (Kunshan) Ltd.	Agency of freight transport, export and import trading and warehousing services.	29,513	2	30,705	-	-	30,705	58	100.00	58	41,201	-	
MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	28,431	2	30,705	-	-	30,705	4,477	100.00	4,477	87,757	-	
MiTAC Telematics Technology Corporation	Sales of self-produced products and related after-sale services	8,654	1	2,240	-	-	2,240	(6,505)	100.00	(6,505)	10,628	-	
MiTAC Investment Holding Ltd.	General investments	2,939,297	2	921,150	-	-	921,150	(54,161)	100.00	(54,161)	3,634,474	-	
MiTAC Information Systems (Kunshan) Co., Ltd.	Manufacture of communication, computers, computer peripherals, hardware/software and related products and sale of own produced products	1,947,150	3	-	-	-	-	(68,810)	100.00	(68,810)	1,648,594	-	

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Invest in the investees in Mainland China through the company which are located in the third area.
- (3) Others: Invest in Mainland China through investees in Mainland Chian.

Note 2: 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 generated any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C..
  - B. The financial statements were audited and attested by R.O.C. parent company's CPA.
  - C. The financial statements were not audited and attested by independent accountants.
- (3) The basis for investment income (loss) recognition for MiTAC computer (Shunde) Corp. and Shzhou MiTAC Precision Technology Co., Ltd. is category B, the others are category C.

Note 3: Among the accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 of MiTAC Computer (Kunshan) Co., Ltd., MiTAC Investment Holding Ltd remitted out USD 29,900 thousand.

B. Ceiling on investments in Mainland China:

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
MiTAC International Corp.	\$ 4,123,752	\$ 4,999,938	\$ 36,608,084
MiTAC Computing Technology Corp.	2,240	2,240	1,757,501
MiTAC Digital Technology Corp.	22,875	22,875	1,024,653

C. Significant transactions conducted with investees in Mainland China:

For details of other significant transactions, please refer to tables 1 and 5.

MiTAC HOLDINGS CORPORATION  
Major shareholders information  
December 31, 2023

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Lien Hwa Industrial Holdings Corp.	105,940,944	8.78 %
MiTAC INC.	101,431,091	8.41 %
UPC Technology Corp.	99,802,598	8.27 %

MITAC HOLDINGS CORPORATION  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2023  
(Expressed in thousands of New Taiwan dollars)

Statement 1

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash		
Checking accounts		\$ 91
Demand deposits		32,708
Cash equivalents		
Time deposits	The interest rate is 1.16%~4.00%, which expires from January 2, 2024 to January 19, 2024	2,091,637
Repurchase bonds	Interest rate 1.10%, due on January 3, 2024	400,000
		<u>\$ 2,524,436</u>



**MiTAC HOLDINGS CORPORATION**  
**STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

Statement 2

Name	Beginning Balance		Addition(Reduction)			Ending Balance			Market Value or Net Assets Value		Pledged to others as collateral	Note
	Number of shares (thousands)	Amounts	Number of shares (thousands)	Amount (Note)	Gain (loss) on investments	Number of shares (thousands)	Ownership %	Amounts	Price (dollars)	Total Price		
MiTAC International Corporation	3,366,590	\$ 58,759,093	732,845	\$ 428,791	\$ 1,825,590	4,099,435	100%	\$ 61,013,474	14.88	\$ 61,013,474	None	
MiTAC Computing Technology Corporation	232,757	2,839,880	-	562	88,726	232,757	100%	2,929,168	12.58	2,929,168	None	
MiTAC Digital Technology Corporation	103,099	1,732,976	( 3,350)	( 246,835)	118,716	99,749	94.01%	1,604,857	16.09	1,604,857	None	
Infopower Technologies Ltd.	6,774	<u>66,488</u>	-	( 48)	( 6,035)	6,774	33.33%	<u>60,405</u>	8.92	<u>60,405</u>	None	
		<u>\$ 63,398,437</u>		<u>\$ 182,470</u>	<u>\$ 2,026,997</u>			<u>\$ 65,607,904</u>		<u>\$ 65,607,904</u>		

Note: The additions or reduction was mainly due to the investees' adjustments of cash dividend distributed, investment adjustment for disposal of subsidiaries using the equity method, unrealised gains (losses) from financial assets measured at fair value through other comprehensive income and financial statements translation differences of foreign operations.

MITAC HOLDINGS CORPORATION  
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)

Statement 3

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	-	3,413	3,413	-	11,225	11,225
Labour and health insurance fees	-	-	-	-	-	-
Pension costs	-	-	-	-	-	-
Directors' remuneration	-	7,460	7,460	-	7,548	7,548
Other employee benefit expenses	-	-	-	-	-	-
Depreciation Expense	-	796	796	-	796	796
Depletion Expense	-	-	-	-	-	-
Amortisation Expense	-	-	-	-	-	-

Note:

- As at December 31, 2023 and 2022, the Company both had 13 employees, including both 8 non-employee directors.
- A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
  - Average employee benefit expense in current year is \$683.  
Average employee benefit expense in previous year is \$2,245.
  - Average employees salaries in current year is \$683.  
Average employees salaries in previous year is \$2,245.
  - The rate of change of average employees salaries is (69.58%).

MITAC HOLDINGS CORPORATION  
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)

Statement 3

- (4) The company has set up an audit committee, so there is no supervisor's remuneration.
- (5) The compensation policy of the Company (including directors, supervisors, managers and employees) is as follows:

A. Directors

According to the Article 23 in the Company's Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed as directors' remuneration, which will be resolved by the Board of Directors, in the ratio no higher than 1%. If a company has an accumulated deficit, earnings should be reserved to cover losses.

B. Managers and employees

- Fixed salary (monthly): It is determined by reference to the general pay levels of the industry and the position and responsibility of the internal managers and employees to achieve appropriate external competitiveness and internal balance.
- Short-term incentive (bonus): It includes performance bonus and profit sharing, and is determined by the company and its team's operating performance and individual performance to make a strong connection between short-term incentive and performance.
- Long-term incentive (employee stock options and treasury shares): It is determined by considering segment operating performance and individual performance. In addition to retain key talents, it is also linked to future risks to promote the long-term development of the Company.
- Benefits: It provides convenience and security for managers and employees.

MiTAC Holdings Corporation

Chairman: Miao, Matthew Feng Chiang

# Annual Report 2023

[www.mitac.com](http://www.mitac.com)

