Stock Code: 3168

DATA IMAGE CORPORATION

2023 Annual Report

Published on March 30, 2024

Website for annual report: **http://mops.twse.com.tw**

I. Names, titles, telephone, and e-mails of the spokesperson and acting spokesperson

Name of spokesperson: Huang Chao-Wei
Title: Vice President
Telephone: (02)2697-6808#6116
E-mail: IR@dataimagecorp.com

Acting spokesperson: Yan Cheng-Chin
Title: Director of the Finance Division
Telephone: (02)2697-6808#6888
E-mailIR@dataimagecorp.com

II. Address and telephone of the headquarters, branch offices, and plants

Address of the headquarters: 30F, No. 93, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City
Telephone: (02)2697-6808
Plant address: 3F, No. 159, Shanying Rd., Guishan Dist., Taoyuan City
Telephone: (02)2697-6808

III. Name, address, website, and telephone of the stock affairs agency

Name: Stock Affairs Agency Department, Fubon Securities Co., Ltd.
Address: 11F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City
Website: http://www.fbs.com.tw
Telephone: (02)2361-1300

IV. Name of CPAs for the financial statements of the most recent year, name of CPA's firm, address, website, and telephone

CPA name: CPA Vivian Yeh and CPA Eddie Shao
CPA's firm: Deloitte Taiwan
Address: No. 100, Songren Rd., Xinyi Dist., Taipei City
Website: http://www.deloitte.com.tw
Telephone: (02)2725-9988

V. Names of overseas exchanges where the Company's securities are traded and methods for inquiring information about the overseas securities

None.

VI. Company website

http://www.dataimage.com.tw

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One. Report to Shareholders

Dear shareholders,

The global economy has been severely affected by inflation, interest rate hikes, and wars, and the growth rate continues to slow down. In addition, customers have adjusted their inventories, plus the high base effect accumulated by the post-pandemic economic recovery, resulting in a decrease in turnover in 2023 compared to 2022. However, the Company adheres to its stable operation, improves production efficiency and product quality, and strengthens new product development to meet customer needs.

There are many main variables in 2024 (i.e., the Russo-Ukrainian War, the Israel-Hamas war, and high inflation), and they are all negative factors. Nevertheless, with the joint efforts of the management team and all colleagues, the Company was successfully listed on the stock exchange on March 26, 2024, which improved the international awareness of the Company and the liquidity of its shares to make the future fundraising of the Company more convenient. In the future, the Company will continue to adopt innovative thinking and technological development to maintain its competitive advantage and create maximum benefits for shareholders.

The 2023 operating results, 2024 business plan and future development strategies are hereby reported as follows

I. 2023 Business results

(I) Business plan implementation results

In 2023, due to factors such as wars, inflation, and customers' inventory adjustment, the consolidated operating income in 2023 decreased from the previous year. However, the momentum of new product development projects continues. Furthermore, most customers estimate that the inventory adjustment is ending. The Company continues to focus on outdoor rugged weather-resistant displays, invest in the R&D of new products and technologies, and maintain its competitive advantage in the market through customer feedback.

(II) Budget execution

The Company did not issue a financial forecast in 2023; therefore, this is not applicable.

(III) Analysis of financial income and expenses and profitability

Unit: NT$ thousand

Item		2023	2022
Financial income and	Net consolidated operating income	3,916,245	4,921,698
	Consolidated net profit before tax	398,048	570,106
Profitability	Consolidated return on assets	8.89%	11.28%
	Consolidated return on equity	13.37%	19.58%
	Consolidated net profit before tax to paid-in	57.36%	82.15%
	Consolidated net profit margin	8.03%	9.05%
	Earnings per share (NT$)	4.02	6.08

(IV) Research and development

Optimizing the existing business and moving towards high-value-added products, the

Company has been rooted in the outdoors marine industrial control application for many years, and has learned the multi-functional touch display technology in the harsh outdoor environment. The Company's products are high weather resistance, rugged professional displays, with an expansion to special vehicle dashboards and human-machine interface displays for DC fast charging stations. The Company continues to focus on the high-growth market.

In recent years, under the arrangement of product portfolio and value enhancement, Data Image maintains a relative operating goal and creates an increase in profits. The introduction of new high-end models developed by customers in 2023 is expected to increase gross profits. The expansion of new product lines will mitigate the impact of the slowdown in the market demand. For the green energy product business, there are touch displays for high-end charging poles and dashboards for electric scooters, which are expected to drive the demand for shipments of the overall unit systems and increase contributions to the operating income.

II. 2024 business prospect plan and future development strategy report:

The impact of unresolved wars, inflation, and customers' inventory adjustments, the outlook of the global economy remains unfavorable. The Company will actively adjust its product portfolio, promote the value transformation of Data Image, and copy its experience in production technology of electronic chart display and information system (ECDIS) and weather-resistant materials to apply to other products and provide complete solutions, which will promote the continuous growth of the Company's operating income.

(I) Business policy

1. By possessing the attributes of raw materials and the integration capability of the supply chain, we can provide customers with complete system integration solutions and expand the business opportunities of system integration services.
2. Continue to develop various niche products with customized and diversified product service abilities to meet the needs of end applications of customers and product benefits.
3. In response to the requirements of different product application fields, continue to improve the design and R&D capabilities of touch displays to improve the added value of products.
4. Strengthen its processes and quality management, continue to improve product yield and reduce production costs, and establish an image of good product quality to enhance its market competitiveness.
5. Strengthen the management of investees, continue to implement lean solutions, and improve the overall operating efficiency of the Company.

(II) Expected new product development market and sales status

The Company has been deeply rooted in the outdoors marine industrial control application for years and has learned multi-functional touch display technology in the harsh outdoor environment. With years of hard work, the Company has secured the market share of high-end model customers. The gross profit of products can be improved through product portfolio optimization and the mass production of high-end models, together with the product lines for whole machine system solutions (i.e., HMI display of the charging poles and electric motorcycle displays). By adopting the dual-axis strategy of added value improvements and value transformation, Data Image has made arrangements for the new growth momentum of its operating income in the future.

The complementarity of products of Data Image and subsidiary DIVA Laboratories has driven the increase in its operating income and new orders in medical and industrial control display. Meanwhile, Data Image continues to develop more system solutions, hoping to drive growth of operating income and provide new operating momentum in the following years.

(III) Important production and marketing policies

1. In response to changes in the global market, the Company has established a backup production base in Taiwan and complied with the Qisda Group's strategies to move to Southeast Asian countries to improve equipment automation capabilities to solve the labor shortage problem.
2. Continue to develop new products and new customers and actively expand business.
3. Strengthen the improvement in production quality and process efficiency and implement cost control to improve product gross profit.
4. Strengthen production and marketing management, reduce inventory risks, and improve inventory turnover efficiency.
5. Reduce administrative expenses and revitalize the use efficiency of assets.

In terms of capital allocation, we will continue to reinforce our cooperation with financial institutions. In addition to actively improving the efficiency of accounts receivable turnover, we will also control inventory stock and carefully evaluate the effectiveness of capital expenditures to maintain the sufficiency and effective use of working capital. In addition, the Company will cooperate with the competent authorities to promote and enhance the quality of information disclosure for the Company's promotion of sustainable development and strengthen information disclosure for cybersecurity management.

III. Impacts of the external competitive environment, regulatory environment, and macroeconomic environment

In response to changes in the global market, in addition to continuously reducing costs, we are also actively exploring high-margin products to increase the Company's gross profit. Regardless of the changes in the external environment, the Company will strive to maintain healthy relationships with customers and suppliers, grasp market trends to continue to improve product quality, actively strengthen the Company's operating niche, and reduce the impact of changes in the external environment on the Company.

Although the macroeconomic environment has partial effects on the Company, the Company will continue to enhance the capabilities of its R&D team, maintain its leading position in technologies, keep abreast of industry trends, regulatory changes, and market information of peers, make arrangements based on its business plans and future development strategies, and adopt necessary countermeasures in response to changes in the internal and external environments.

Looking forward to the future, all employees of Data Image will continue to contribute to the sustainable operation and profitability of the Company in order to repay the support and encouragement from shareholders. We wish all shareholders

Good health and good luck

Chairman: Huang Han-Chou

President: Yu Si-Ping

Two. Company Profile

I. Date of establishment: November 22, 1997

II. Company history

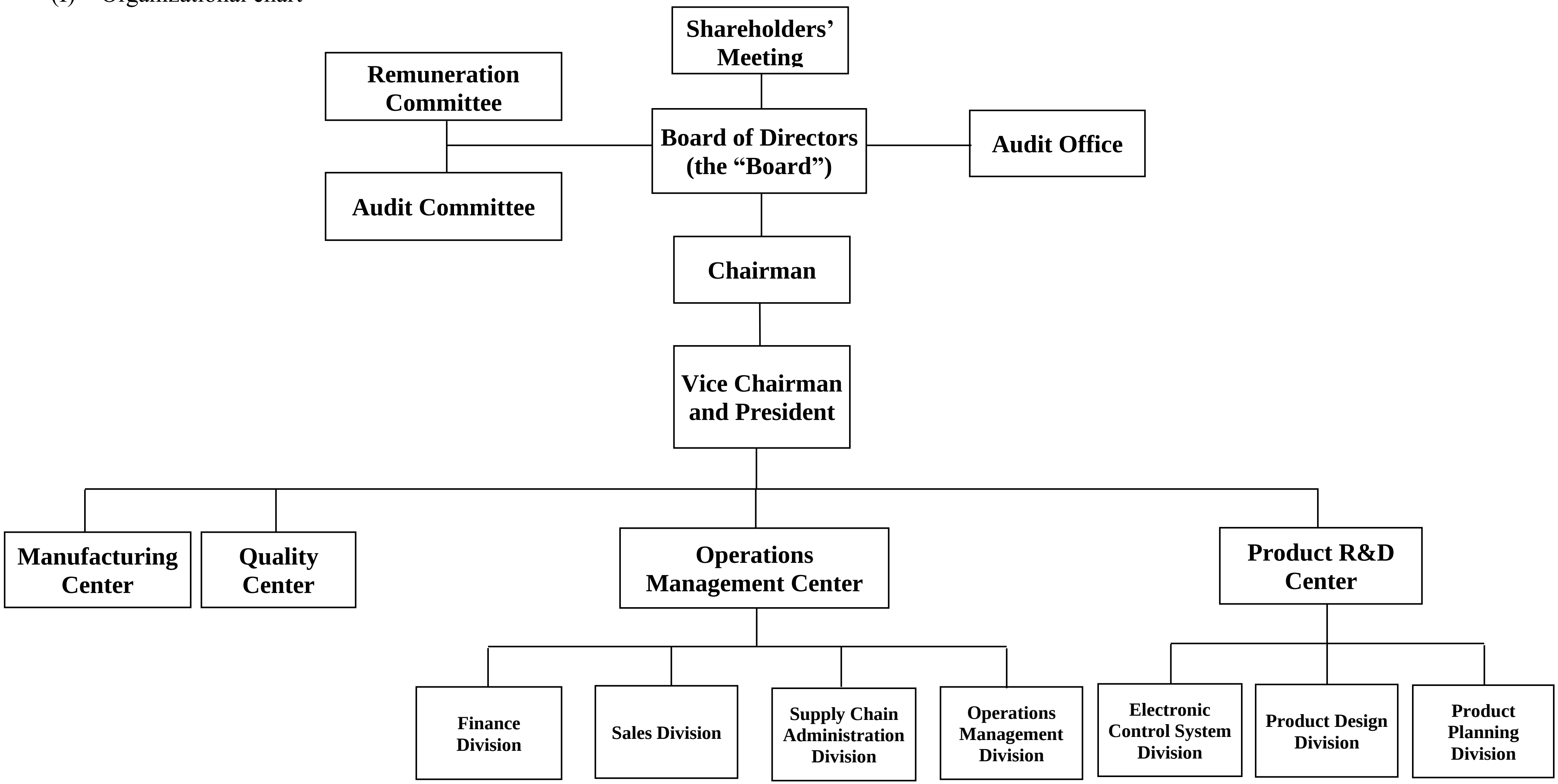
November 1997	Data Image was established with a capital of NT$99,000 thousand.
May 1999	Obtained the ISO-9001 quality certification.
October 2000	Jointly developed integrated multi-function display modules with customers, including Whirlpool and Eliwell.
April 2001	Established a subsidiary in Suzhou, China, which is an important overseas production and operating location.
January 2002	The Thin Film Transistor (TFT) LCD Business Segment was established, and TFT module production lines were established.
June 2002	Public offering of shares.
June 2003	Supplied 2.5-inch and 3.5-inch TFT panel modules for HP (US) photo printers.
April 2004	Approved by Taipei Exchange to be traded on the Emerging Stock Market.
July 2005	Supplied 8-inch touch modules to Lexmark, a large-scale laser printer manufacturer, and 5.6-inch card reader module to Verifone.
September 2006	Obtained the ISO 14001 environmental certification.
August 2007	Obtained the patent certificate of an “e-book with display panel” issued by the Intellectual Property Office, Ministry of Economic Affairs.
July 2008	The subsidiary in Suzhou, China, completed the relocation of equipment to its new plant and started mass production.
August 2008	Obtained the approval from the Ministry of Economic Affairs to issue 2 million ordinary shares through private placement.
April 2009	The production base of the Xizhi Plant in Taiwan was transferred to the subsidiary in Suzhou, China, with R&D experiment lines and maintenance lines left.
January 2010	The subsidiary in Suzhou, China, passed ISO 14001 and IECQ/QC080000 certifications.
September 2010	Obtained the NEC supplier qualification.
November 2010	Obtained the Samsung supplier qualification and began to undertake orders of the panel modules for the first generation Galaxy tablet.
May 2011	Certified by Motorola.
October 2011	The Electronic Industry Citizenship Coalition (EICC) system was certified by XEROX.
February 2012	Launched the 8-inch automotive system panel module design and development project.
September 2012	Supplied capacitive touch video call LCD modules to large-scale international video equipment manufacturers.
February 2013	Completed the TS 16949 system certification.
March 2013	The automotive panel modules passed the overall test of the original manufacturer and obtained the certification and supplier qualification of a large-scale contract manufacturer (CM).
June 2013	Passed the certification of a large-scale international professional multi-function terminal display manufacturer and started mass production.
November 2014	The automotive panel modules obtained the certification and supplier qualification of Delphi, a CM.
July 2015	Performed a capital reduction in cash of NT$138,175 thousand.
November 2015	Completed the SO 13485 system certification.

November 2018	Joined the Qisda Group.
December 2018	Obtained the approval from the Ministry of Economic Affairs to issue 2 million ordinary shares through private placement.
September 2019	The Company’s headquarters were relocated to U-TOWN at Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City.
April 2020	The plant of the Company’s headquarters was relocated to Taoyuan Plant.
October 2021	Invested in the ordinary stock of DIVA Laboratories, Ltd., and the shareholding ratio was 35.55%.
January 2023	The special automotive display module passed the certification of a listed customer in the US and was put into mass production and made shipments.
March 2024	The Company’s shares were listed on the stock exchange.

Three. Corporate Governance Report

I. Organizational system

(I) Organizational chart



(II) Business of major departments

Department	Main business
Audit Office	1. Performance evaluation and report on the implementation of the internal control system and internal management regulations. 2. Formulation and implementation of the audit progress.
Manufacturing Center	1. Responsible for planning and directing industrial activities related to product manufacturing. 2. Responsible for the coordination of manufacturing, production, sales, supplies storage and facilities, as well as the planning and management of production line operations. 3. Management and control of the in-house production schedule, delivery terms, and production volume. The increase in production capacity and reduction in costs. 4. Monitoring and duly implementing the production process and product quality and setting production targets. 5. Establishment of performance standards. Regularly supervise the work of employees. Give opinions and record the evaluations.
Quality Center	1. Responsible for the establishment of the Company's quality assurance system. 2. Responsible for the introduction of the ISO system and the promotion and maintenance of the Company's quality management system. 3. Planning for education and training related to the quality system. 4. Leading the internal audit activities and external certifications. 5. Establishment of quality improvement mechanisms and implementation of quality improvement activities. 6. Customer complaint management.
Finance Division	1. Financial operation planning, fund management, and correspondence with banks. 2. Accounting and tax filings, financial statements and business analysis.
Sales Division	1. The development, credit loans, quotations, order processing and after-sales services in domestic and foreign markets. 2. Customer management and sales order forecasting.
Supply Chain Management Division	1. Warehousing management and raw material procurement management. 2. Formulation and implementation of production plans and negotiation, communication and analysis of production and marketing.
Operations Management Division	1. Assisting the Company in business decisions and assigned matters. 2. Maintenance and improvement of the effective operation of the Company's information system. 3. Handling stock affairs of the Company. 4. Responsible for human resources, general affairs and other relevant matters.
Electronic Control System Division	1. The development, research, design and innovation of new products and technologies. 2. The development, improvement, implementation and reliability testing of existing products.
Product Design Division	1. The development, structure research, design and innovation of new products and technologies. 2. The development, improvement, implementation and reliability testing of structures of existing products.
Product Planning Division	1. Adopting project management and customer service to render satisfactory businesses and respond to customers in terms of the processing of product-related anomalies and returns in a fast and satisfactory manner. 2. Product planning, marketing planning, sales technical support and promotion. 3. Project, technical documents and engineering alteration management.

II. Directors, supervisors, President, Vice Presidents, Assistant Vice Presidents, and executives of departments and branches

(I) Directors

1. Name, work experience (educational background), shareholding and nature of Directors

March 30, 2024 ; unit: share

Title	Nationality or place of registration	Name	Gender Age	Date of election	Term of office	Date of initial election	Shares held at the time of the election		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Major educational background and work experience	Concurrent positions in the Company and other companies	Other executives, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship	
Chairman	Republic of China	Qisda Corporation	Male 61 ~ 70	2021 08 24	3	2019 01 08	20,000,000	28.82%	20,000,000	25.61%	-	-	-	-	-	Note 2	-	-	-	-
		Representative: Huang Han-Chou					-	-	-	-	-	-	1,000,000	1.28%	EMBA, Tsing Hua University, Beijing MBA, University of Greenwich (UK) Senior AVP, Qisda Corporation	President and corporate director representative, Qisda Corporation Corporate director representative, AUO Corporation Corporate director representative, Alpha Networks Inc. Corporate chairman representative, Simula Technology Inc. Corporate chairman representative, Action Star Technology Co., Ltd. Corporate chairman representative, DIVA Laboratories, Ltd. Corporate chairman representative, Qisda Optronics Corp. Director, BenQ Foundation Representative, Ju Cheng Investment Co., Ltd.	-	-	-	-
Vice Chairman and President	Republic of China	Yu Si-Ping	Male 61 ~ 70	2021 08 24	3	2000 10 20	3,817,516	5.50%	3,827,516	4.90%	-	-	-	-	Department of International Trade, Tamkang University VP of Sales Department, Data Image Corporation Vice Chairman and CEO, Data Image Corporation	Chairman, Data Image (MAURITIUS) Corporation Chairman, Data Image (Suzhou) Corporation Corporate director representative, DIVA Laboratories, Ltd. Director, Kyoritsu Optronics Co., Ltd.	-	-	-	
Director	Republic of China	Qisda Corporation	Male 51 ~ 60	2021 08 24	3	2019 01 08	20,000,000	28.82%	20,000,000	25.61%	-	-	-	-	-	Note 2	-	-	-	-
		Representative: Xue Dao-Long					-	-	-	-	-	-	-	-	MBA, National Sun Yat-Sen University Department of Mechanical Engineering, National Taiwan University Manager, Display Business Division, Information Products Business Group, Qisda Corporation	Corporate director representative, Qisda Optronics Corp. Director, Qisda America Corp. Corporate director representative, DIVA Laboratories, Ltd.	-	-	-	-
Director	Republic of China	Qisda Corporation	Female 51 ~ 60	2021 08 24	3	2019 01 08	20,000,000	28.82%	20,000,000	25.61%	-	-	-	-	-	Note 2	-	-	-	-
		Representative: Hong Chiu-Jin					-	-	-	-	-	-	-	-	EMBA, National Taiwan University MBA, California State University, Fullerton AVP of Finance, Qisda Corporation CFO, BenQ Materials Corp.	The corporate director representative of the following companies: Darfon Electronics Corp., Alpha Networks Inc., Metaage Corporation, Data Image Corporation, BenQ Corporation, Qisda Optronics Corp., BenQ Healthcare Consulting Corporation, Nanjing BenQ Hospital Management Consultants Co., Ltd., Nanjing BenQ Hospital Co., Ltd., Suzhou BenQ Hospital Co., Ltd., Suzhou BenQ Hospital Co., Ltd., Mingji Biotechnology (Shanghai) Co., Ltd., Heraeus Materials Technology Shanghai Ltd., and Topview Optronics Corp. The corporate chairman representative of the following companies: Darly Venture Inc., Darly2 Venture, Inc., and Darly Consulting Corporation The director of the following companies:	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election	Term of office	Date of initial election	Shares held at the time of the election		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Major educational background and work experience	Concurrent positions in the Company and other companies	Other executives, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship	
																Qisda Corporation, BenQ BM Holding Corp., BenQ BM Cayman Holding Corp., Qisda (Malaysia) Corporation, Qisda (Labuan) Corporation, and Qisda (Labuan) Investment Corporation				
Director	Republic of China	Qisda Corporation	Male 51 ~ 60	2021 08 24	3	2019 09 12	20,000,000	28.82%	20,000,000	25.61%	-	-	-	-	-	Note 2	-	-	-	-
		Representative: Li Zi-Pei					-	-	13,000	0.02%	200,000	0.26%	-	-	Department of Business Administration, Fu Jen Catholic University EMBA, National Central University AVP of Supply Chain Management, Qisda Corporation	Special assistant of Chairman, Data Image Corporation	–	–	–	–
Director	Republic of China	Deng Fu-Ji	Male 61~70	2023. 06. 15 (Note 3)	3	2019 03.18	4,041,36	5.82%	4,041,366	5.17%	-	-	1,507,462	1.93%	Post-graduate Business Management Program for Chairpersons and Entrepreneurs, National Chengchi University Chairman, Tainet Telecommunication Co., Ltd. Independent director, Shun On Electronic Co. Ltd. Director, Data Image Corporation	Vice president, Advanced Power Electronics Co., Ltd. Chairman, Future Technology Consulting Inc. Corporate chairman representative, Green Power Semiconductor Corporation Corporate director representative, Tainet Telecommunication Co., Ltd. Corporate director representative, Future Technology Consulting (BVI), Inc. Corporate director representative, PERFEC TPRIME LTD.(SAMOA) Corporate director representative, OPC Microelectronics Co., Ltd. Independent director, TUL Corporation Corporate director representative, Fuhong Investment Co., Ltd. Corporate chairman representative, Hsinpu Star Venture Capital Co., Ltd. Director, Zhinan Star Venture Capital Co., Ltd. Director, NTUST Star Venture Capital Co., Ltd. Corporate director representative, NCCU Star Venture Capital Co., Ltd.				
Independent Director	Republic of China	Yeh Hui-Xin	Female 51 ~ 60	2021 08 24	3	2019 01 08	-	-	-	-	-	-	-	-	Department of Accounting, Tunghai University Partner, Ernst & Young	Responsible person, V.King & Co., CPAs Director, Weixin Financial Consulting Co., Ltd. Independent director, Acter Group Corporation Limited Independent director, Simula Technology Inc.	–	–	–	–
Independent Director	Republic of China	Ma Xiao-Kang	Male 71 ~ 80	2021 08 24	3	2019 01 08	-	-	-	-	-	-	-	-	PhD, Mechanical Engineering, University of Illinois (US) Master of Mechanical Engineering, University of Wisconsin (US) Professor, Department of Mechanical Engineering/Researcher, Climate Change and Sustainable Development Research Center of National Taiwan University Committee, Environmental Protection Administration, Executive Yuan Independent director, Taiwan Power Company Chairman, Environmental Resources Research and Development Foundation Chairman, Chinese Boiler Association Taiwan Chairman, The Combustion Institute of R.O.C. Director, CTCI Foundation Chairman, Resource Recycling Fund Management Committee for Waste Electronics and Appliances	Chairman/founding chairman, Taiwan Carbon Capture Storage and Utilization Association Secretary general, Taiwan Net Zero Emissions Association TC Committee, National Environmental Research Academy Member, Environmental Assessment Independent director, Ho-Ping Power Company Independent director, Chung Hua Chemical Industrial Works Ltd. Independent director, Chung Hwa Pulp Corporation	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of election	Term of office	Date of initial election	Shares held at the time of the election		Number of shares held at present		Shares held by spouse and minors at present		Shares held in the name of others		Major educational background and work experience	Concurrent positions in the Company and other companies	Other executives, Directors, or supervisors who are spouses or relatives within the second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship	
															Research engineer, Energy and Environmental Research Corp. (US)					
Independent Director	Republic of China	He Wen-Xian	Male 61 ~ 70	2021 08 24	3	2003 06 19	-	-	-	-	-	-	-	-	MBA, National Taiwan University Department of Business Administration, National Cheng Kung University Chairman of ABN AMRO Guanghua Investment Consulting Co., Ltd. Vice president, Fund Management Department, ABN AMRO Guanghua Investment Trust Vice president, Discretionary Investment Department, ABN AMRO Guanghua Investment Trust Certified Securities Investment Analyst (CSIA), Republic of China	Elite Lectures, Taiwan Academy of Banking and Finance	-	-	-	-

Note 1: When the President or person of an equivalent post (the highest level manager) and the Chairman of the Company are the same person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity, and measures adopted shall be disclosed: Not applicable as the Chairman and the President of the Company are not the same person.

Note 2: The corporate director of Qisda Corporation, BenQ Corporation, Simula Technology Inc., Alpha Networks Inc., Metaage Corporation, Golden Spirit Co., Ltd., Qisda Optronics Corp., Darly Venture Inc., BenQ Dialysis Technology Corp., DFI Inc., Partner Tech Corp., Darfon Electronics Corp., Topview Optronics Corp., K2 International Medical Inc., BenQ Materials Corp., Rapidtek Technologies Inc., AUO Corporation, H2 Energy Co., Ltd., QS Control Corp., TCI Gene Inc., Mingji Biotechnology (Shanghai) Co., Ltd., and Qisda Vietnam Corporation and the corporate supervisor of BenQ Corporation, Darly Venture Inc., Golden Spirit Co., Ltd., Qisda Optronics Corp., BenQ Dialysis Technology Corp., Mingji Biotechnology (Shanghai) Co., Ltd., and Qisda Vietnam Corporation.

Note 3: Deng Fu-Ji was elected as the representative of Qisda, a Director of the Company, at the annual shareholders' meeting on August 24, 2021. Qisda resigned as the corporate Director on February 23, 2023, and Deng Fu-Ji was elected in the capacity of a natural person as the Director of the Company at the annual shareholders' meeting on June 15, 2023.

2. Major shareholders of corporate shareholders

Name of corporate shareholder (Note)	Major shareholders of corporate shareholders	
	Name	Shareholding ratio
Qisda Corporation	AUO Corporation	17.04%
	Acer Incorporated	4.55%
	Employee stock ownership trust of Qisda in the custodianship of Taishin International Bank	3.38%
	Kangli Investment Co., Ltd.	2.55%
	Darfon Electronics Corp.	2.03%
	Norges Bank investment account in the custodianship of Citibank (Taiwan)	1.23%
	E.SUN Commercial Bank	1.02%
	Vanguard FTSE Emerging Markets ETF investment account managed by the Vanguard Group in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	0.98%
	Labor pension fund under the new system	0.97%
	Polunin Developing Countries Fund, LLC in the custodianship of Citibank (Taiwan)	0.97%

Note: The data of Qisda Corporation is the data on the book closure day, March 31, 2023

3. Major shareholders of corporate shareholders that are corporations

Name of corporate shareholder	Major shareholders of corporate shareholders	
	Name	Shareholding ratio
AUO Corporation (Note 1)	Qisda Corporation	6.90%
	Yuanta/P-shares Taiwan Dividend Plus ETF account in the custodianship of CTBC Bank	4.71%
	Trust property account of the employee stock ownership trust management committee of AUO Corporation in the custodianship of Bank SinoPac	4.62%
	Quanta Computer Inc.	4.61%
	GDR account of AUO Corporation in the custodianship of Citibank	2.52%
	Nan Shan Life Insurance Company, Ltd.	1.50%
	Labor pension fund under the new system	1.27%
	Vanguard FTSE Emerging Markets ETF investment account managed by the Vanguard Group in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	0.91%
	Yuanta/P-shares Taiwan Top 50 ETF account in the custodianship of CTBC Bank	0.88%
	Advanced Aggregate International Stock Index investment account under the series of funds of Advanced Starlight Fund in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	0.86%

Name of corporate shareholder	Major shareholders of corporate shareholders	
	Name	Shareholding ratio
Acer Incorporated (Note 1)	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custodianship of Taishin International Bank	7.64%
	Hongrong Investment Co., Ltd.	2.42%
	Vanguard FTSE Emerging Markets ETF investment account managed by the Vanguard Group in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	1.31%
	iShares ESG Aware MSCI EM ETF in the custodianship of the Main Branch of the Standard Chartered Bank	1.26%
	Advanced Aggregate International Stock Index investment account under the series of funds of Advanced Starlight Fund in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	1.23%
	Shih Zhen-Jung	1.15%
	Labor pension fund under the new system	0.97%
	ACER GDR in the custodianship of Citibank (Taiwan)	0.93%
	JP Morgan Securities Co., Ltd. investment account in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	0.88%
	Norges Bank investment account in the custodianship of Citibank (Taiwan)	0.86%
Kangli Investment Co., Ltd. (Note 2)	AUO Corporation	100.00%
Darfon Electronics Corp. (Note 1)	Qisda Corporation	20.72%
	BenQ Corporation	5.01%
	Employee stock ownership trust of Darfon Electronics in the custodianship of Taishin International Bank	2.91%
	Mega International Commercial Bank Co., Ltd.	1.62%
	Labor pension fund under the new system	1.48%
	Su, Kai-Jian	1.45%
	Chang Hwa Commercial Bank, Ltd.	1.21%
	Vanguard FTSE Emerging Markets ETF investment account managed by the Vanguard Group in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	1.20%
	Advanced Aggregate International Stock Index investment account under the series of funds of Advanced Starlight Fund in the custodianship of JPMorgan Chase Bank, N.A., Taipei Branch	1.06%
	Norges Bank investment account in the custodianship of Citibank (Taiwan)	0.69%

Note 1: The data source is the 2022 annual report of the company
Note 2: The data source is the data disclosed by the Ministry of Economic Affairs

4. Disclosure of the professional qualifications of Directors and independence of Independent Directors:

Condition / Name	Professional qualifications and experience	Status of independence (Note)	Number of concurrent positions as an independent director in other public companies
Chairman Qisda Corporation Representative: Huang Han-Chou	1. MBA, University of Greenwich (UK); EMBA, Tsinghua University, Beijing; former senior vice president of Qisda Corporation. 2. His major current positions include the president and corporate director representative of Qisda Corporation, the corporate director representative of AUO Corporation, Alpha Networks Inc., and DIVA Laboratories, Ltd., and the representative of BenQ Foundation and Ju Cheng Investment Co., Ltd. 3. He possesses over five years of work experience required for the Company's business, is well aware of the knowledge required by the industry environment, and is equipped with professional leadership, operation and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-
Vice Chairman Yu Si-Ping	1. Department of International Trade, Tamkang University; former Vice President of Sales Department, Data Image Corporation; Chairman and CEO of ZF Data Image Corporation. 2. His major current positions include the chairman and president of Data Image (MAURITIUS) Corporation and Data Image (Suzhou) Corporation, corporate director representative of DIVA Laboratories, Ltd., and director of Kyoritsu Optronics Co., Ltd. 3. He possesses over five years of work experience required for the Company's business, is well aware of the knowledge required by the industry environment, and is equipped with professional leadership, marketing and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-
Director Qisda Corporation Representative: Xue Dao-Long	1. MBA, National Sun Yat-Sen University; former manager of Display Business Division, Information Products Business Group, Qisda Corporation. 2. His major current positions include the corporate director representative of Qisda Optronics Corp. and DIVA Laboratories, Ltd. and the director of Qisda America Corp. 3. He is well aware of the knowledge required by the industry environment and is equipped with professional leadership, operation and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-
Director Qisda Corporation Representative: Hong Chiu-Jin	1. MBA, California State University, Fullerton; EMBA, National Taiwan University; former AVP of Finance of Qisda Corporation and CFO of BenQ Materials Corp. 2. Her major current positions include the corporate director representative of Darfon Electronics Corp., Alpha Networks Inc., and Metaage Corporation, and the director of Qisda Corporation. 3. She is equipped with finance, accounting and business management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-

Name \ Condition	Professional qualifications and experience	Status of independence (Note)	Number of concurrent positions as an independent director in other public companies
Director Qisda Corporation Representative: Li Zi-Pei	1. Department of Business Administration, Fu Jen Catholic University; EMBA, National Central University; former AVP of Supply Chain Management, Qisda Corporation. 2. His major current position is the special assistant of the Chairman of Data Image Corporation. 3. He is well aware of the knowledge required by the industry environment and is equipped with professional leadership and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-
Director Deng Fu-Ji	1. Post-graduate Business Management Program for Chairpersons and Entrepreneurs, National Chengchi University; former Chairman of Tainet Telecommunication Co., Ltd., independent director of Shun On Electronic Co. Ltd., and supervisor of Data Image Corporation. 2. His main current positions include the vice chairman of Advanced Power Electronics Co., Ltd., the chairman of Future Technology Consulting Inc., chairman of Green Power Semiconductor Corporation, and corporate director representative of Tainet Telecommunication Co., Ltd. 3. He is well aware of the knowledge required by the industry environment and is equipped with professional leadership, operation and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Not applicable	-
Independent Director Yeh Hui-Xin	1. Department of Accounting, Tunghai University; former partner, Ernst & Young. 2. Her main current positions include the responsible person of V.King & Co., CPAs, the director of Weixin Financial Consulting Co., Ltd., and the supervisor of Acter Group Corporation Limited and Simula Technology Inc.. 3. She is equipped with finance, accounting and business management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	2
Independent Director Ma Xiao-Kang	1. PhD, Mechanical Engineering, University of Illinois (US); Master of Mechanical Engineering, University of Wisconsin (US); former professor of the Department of Mechanical Engineering of the National Taiwan University, Committee, Environmental Protection Administration, Executive Yuan, Independent director, Taiwan Power Company, the chairman of the Environmental Resources Research and Development Foundation, and the chairman of Chinese Boiler Association Taiwan and the Combustion Institute of R.O.C. 2. His main current positions include the chairman of the Taiwan Carbon Capture Storage and Utilization Association, the secretary general of the Taiwan Net Zero Emissions Association, TC Committee, National Environmental Research Academy, the independent director of Ho-Ping Power Company, the independent director of Chung Hua Chemical Industrial Works Ltd., and the independent director of Chung Hwa Pulp Corporation. 3. He is well aware of the knowledge required by the industry environment and is equipped with professional leadership and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	3

Name \ Condition	Professional qualifications and experience	Status of independence (Note)	Number of concurrent positions as an independent director in other public companies
Independent Director He Wen-Xian	1. MBA, National Taiwan University; former chairman of ABN AMRO Guanghua Investment Consulting Co., Ltd., vice president of the Fund Management Department of ABN AMRO Guanghua Investment Trust, and vice president of the Discretionary Investment Department of ABN AMRO Guanghua Investment Trust; CSIA of the Republic of China. 2. His major current position is related to the Elite Lectures of the Taiwan Academy of Banking and Finance. 3. He is equipped with finance, accounting and business management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	-

Note: All Independent Directors comply with the status of independence, including but not limited to whether themselves, their spouses, or relatives within the second degree of kinship are serving as Directors, supervisors, or employees of the Company or its affiliates; the number and ratio of shares held by themselves, their spouses, relatives within the second degree of kinship (or in the name of others); whether they serve as the directors, supervisors, or employees of companies with special relationships with the Company (please refer to the requirements under subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); compensation received from the Company or its affiliates for the provision of business, legal affairs, finance, and accounting services in the most recent two years.

5. Board diversification and independence:

(1) Board diversification

The Board approved the "Corporate Governance Best Practice Principles" on November 3, 2022, which specifies the policy of Board diversification. The candidate nomination system is adopted for the nomination and selection of members of the Board. In addition to evaluating the educational background, work experience and qualifications of each candidate, with reference to the opinions of stakeholders, the Company complied with the "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the diversification and independence of Board members.

The Board members are elected based on the principle of meritocracy. They have diversified industrial and professional abilities, including business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership and decision-making abilities.

The implementation of diversification of the Board of the Company is as follows:

Title	Name	Gender	Diversified industries and professional capabilities								Term of office of Independent Director
			Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making ability	
Chairman	Huang Han-Chou	Male	✓		✓	✓	✓	✓	✓	✓	
Vice Chairman	Yu Si-Ping	Male	✓		✓	✓	✓	✓	✓	✓	
Director	Xue Dao-Long	Male	✓		✓	✓	✓	✓	✓	✓	
Director	Deng Fu-Ji	Male	✓		✓	✓	✓	✓	✓	✓	
Director	Hong Chiu-Jin	Female	✓	✓	✓	✓	✓	✓	✓	✓	
Director	Li Zi-Pei	Male	✓		✓	✓	✓	✓	✓	✓	
Independent Director	Yeh Hui-Xin	Female		✓	✓	✓	✓	✓		✓	Less than three sessions
Independent Director	Ma Xiao-Kang	Male			✓	✓	✓	✓		✓	Less than three sessions
Independent Director	He Wen-Xian	Male		✓	✓	✓	✓	✓		✓	Over three sessions (Note)

Note: Independent Director He Wen-Xian has served as the Independent Director for three consecutive sessions; however, the Company requires his professional insight to guide the Company's future direction. The Board believes that he possesses the necessary independence when making judgments and performing his duties and has not established certain relationships with the management (or others) that may harm his fair judgments based on the maximum benefits of the Company or his unbias performance of duties.

The Company currently has a total of nine Board members, including three Independent Directors (accounting for 33.33% of the Board members). Among the current nine directors, one Director is aged between 71 to 80, four Directors are aged between 61 to 70, and four Directors are aged between 51 to 60; there are two female Directors. Directors of the Company have experience in commerce, finance, accounting, technology, or the business of the Company. They can give professional opinions from different angles, which is of great benefit to the Company.

The management objectives achieved by the Board of the Company:

A. The number of Directors who are concurrently managers of the Company shall not exceed one-third of the total number of Directors.
B. The number of Independent Directors shall exceed one-third.
C. The Board shall have at least one female Director.

(2) Independence of the Board

The Board of the Company has nine Directors, and three of them are Independent Directors, accounting for one-third of the total number of Directors. All Independent Directors of the Company are in compliance with the requirements of the Securities and Futures Bureau, Financial Supervisory Commission, on independent directors, and none of the Directors are spouses or relatives within the second degree of kinship. None of the matters specified in paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act have occurred. In summary, the Company's Board is independent.

(II) President, Vice Presidents, Assistant Vice Presidents, and executives of departments and branches

March 30, 2024; unit: share

Title	Nationality	Name	Gender	Date of election	Shares held		Shares held by spouse and minors		Shares held in the name of others		Major educational background and experience	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks (Note)
					Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)			Title	Name	Relationship	
Vice Chairman and President	Republic of China	Yu Si-Ping	Male	2019.10.29	3,827,516	4.90%	-	-	-	-	Department of International Trade, Tamkang University VP of Sales Department, Data Image Corporation	Vice Chairman and President, Data Image Corporation Chairman, Data Image (MAURITIUS) Corporation Chairman, Data Image (Suzhou) Corporation Corporate director representative, DIVA Laboratories, Ltd.	-	-	-	-
Vice President and CTO	Republic of China	Chan Wei-Hsiang	Male	2019.10.29	963,041	1.23%	-	-	-	-	EMBA, Yuan Ze University VP of Facility Department, Data Image Corporation VP of the Product R&D Center, Data Image Corporation President, Data Image Corporation	Director, Data Image (MAURITIUS) Corporation Chairman, Data Image (Suzhou) Corporation	-	-	-	-
Vice President	Republic of China	Huang Chao-Wei	Male	2015.05.01	118,599	0.15%	37,037	0.05%	-	-	Department of International Trade, Tamkang University Manager of the Finance Department and spokesperson, Chien Tai Cement Co., Ltd.	-	-	-	-	-
Director of the Finance Division	Republic of China	Yan Cheng-Chin	Male	2019.04.01	188,122	0.24%	-	-	-	-	EMBA, Ming Chuan University Chief of finance, Data Image Corporation	-	-	-	-	-
Assistant Vice President	Republic of China	Gao Chih-Min	Male	2022.01.20	334,695	0.44%	-	-	-	-	Department of Electrical Engineering, Minth University of Science and Technology Plant manager, Data Image Corporation Plant manager, Data Image (Suzhou) Corporation	-	-	-	-	-
Chief of the Audit Office	Republic of China	Gu, Ya-Jing	Female	2012.08.29	13,722	0.02%	-	-	-	-	Graduated from the Department of Business Administration, Tamkang University Senior Specialist, Administration Dept., Bestdisk Technology Corp.	-	-	-	-	-

Note: When the President or person of an equivalent post (the highest level manager) and the Chairman of the Company are the same person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity, and measures adopted shall be disclosed: Not applicable as the Chairman and the President of the Company are not the same person.

III. Remuneration paid to Directors, supervisors, President, and Vice Presidents in the most recent year

(I) Directors' remuneration

December 31, 2023; unit: NT$ thousand

Title	Name	Remuneration of Directors: Compensation (A) (Note 1): The Company	Remuneration of Directors: Compensation (A) (Note 1): All companies included in the financial statements	Remuneration of Directors: Severance pay and pension (B): The Company	Remuneration of Directors: Severance pay and pension (B): All companies included in the financial statements	Remuneration of Directors: Remuneration of Directors (C) (Note 2): The Company	Remuneration of Directors: Remuneration of Directors (C) (Note 2): All companies included in the financial statements	Remuneration of Directors: Business execution expenses (D) (Note 3): The Company	Remuneration of Directors: Business execution expenses (D) (Note 3): All companies included in the financial statements	The sum of A, B, C, and D and as a percentage of net profit after tax (Note 4): The Company	The sum of A, B, C, and D and as a percentage of net profit after tax (Note 4): All companies included in the financial statements	Compensation received for the concurrent position as employees: Salaries, bonuses and allowances (E) (Note 5): The Company	Compensation received for the concurrent position as employees: Salaries, bonuses and allowances (E) (Note 5): All companies included in the financial statements	Compensation received for the concurrent position as employees: Severance pay and pension (F): The Company	Compensation received for the concurrent position as employees: Severance pay and pension (F): All companies included in the financial statements	Remuneration of employees (G) (Note 6): The Company: Amount in cash	Remuneration of employees (G) (Note 6): The Company: Amount in shares	Remuneration of employees (G) (Note 6): All companies included in the financial statements: Amount in cash	Remuneration of employees (G) (Note 6): All companies included in the financial statements: Amount in shares	The sum of A, B, C, D, E, F, and G and as a percentage of net profit after tax (Note 4): The Company	The sum of A, B, C, D, E, F, and G and as a percentage of net profit after tax (Note 4): All companies included in the financial statements	Compensation received from investees other than subsidiaries or the parent company (Note 7)
Chairman	Qisda Corporation Representative: Huang Han-Chou	3,476	3,476	-	-	1,866	1,866	285	345	5,627 2.02%	5,687 2.04%	6,519	9,885	-	-	2,626	-	2,626	-	14,772 5.30%	18,198 6.53%	67,318
Vice Chairman and President	Yu Si-Ping																					
Director	Qisda Corporation Representative: Xue Dao-Long																					
Director	Qisda Corporation Representative: Hong Chiu-Jin																					
Director	Qisda Corporation Representative: Li Zi-Pei																					
Director	Deng Fu-Ji																					
Independent Director	Yeh Hui-Xin	1,680	1,680	-	-	839	839	120	120	2,639 0.95%	2,639 0.95%	-	-	-	-	-	-	-	-	2,639 0.95%	2,639 0.95%	-
Independent Director	Ma Xiao-Kang																					
Independent Director	He Wen-Xian																					

1. Please specify the policy, system, standard and structure of the remuneration of Independent Directors, and specify the correlation between the amount of remuneration and their responsibilities, risks, time invested and other factors:
   The remuneration of Directors includes the fixed monthly compensation and the remuneration of Directors stipulated in the Articles of Incorporation, which is based on the current operation and scale of the Company's operations with reference to the standards within the industry. Also, arrangements are made according to the regulations for the remuneration of Directors and functional committee members of the Company.
2. Other than the disclosure in the above table, the compensation received by the Company's Directors for providing services (i.e., serving as a non-employee consultant to the parent company/all companies included in the financial statements/investees) in the most recent year: In the most recent year, Directors of the Company who served as the consultants of investees received compensation of NT$1,000 thousand.

Remuneration range table

Range of remuneration paid to Directors of the Company	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT$1,000,000	Huang Han-Chou and Yu Si-Ping Hong Chiu-Jin and Xue Dao-Long Deng Fu-Ji and Li Zi-Pei Ma Xiao-Kang and He Wen-Xian	Huang Han-Chou and Yu Si-Ping Hong Chiu-Jin and Xue Dao-Long Deng Fu-Ji and Li Zi-Pei Ma Xiao-Kang and He Wen-Xian	Huang Han-Chou Hong Chiu-Jin and Xue Dao-Long Deng Fu-Ji and Li Zi-Pei Ma Xiao-Kang and He Wen-Xian	Huang Han-Chou Hong Chiu-Jin and Xue Dao-Long Deng Fu-Ji and Li Zi-Pei Ma Xiao-Kang and He Wen-Xian
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Yeh Hui-Xin	Yeh Hui-Xin	Yeh Hui-Xin	Yeh Hui-Xin
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	–	–	–	–
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	–	–	–	–
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Qisda Corporation	Qisda Corporation	Qisda Corporation	Qisda Corporation
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	–	–	Yu Si-Ping	Yu Si-Ping
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	–	–	–	–
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	–	–	–	–
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	–	–	–	–
Over NT$100,000,000	–	–	–	–
Total	Ten persons (including one corporation)	Ten persons (including one corporation)	Ten persons (including one corporation)	Ten persons (including one corporation)

Note 1: Refer to the compensation of Directors in 2023 (including Directors' salaries, allowances, severance pay, various bonuses, and incentives).

Note 2: Refer to the amount of remuneration of Directors in 2023 approved by the Board.

Note 3: Refer to the Director's business execution expenses in 2023 (including transportation allowance, special allowances, various subsidies, accommodation, vehicles and other benefits-in-kind).

Note 4: Net profit after tax refers to the net profit after tax in the financial statements in 2023.

Note 5: Refer to the salaries, allowances, severance pay, various bonuses, incentives, transportation allowance, special allowances, various subsidies, accommodation, vehicles and other benefits-in-kind received by a Director who is concurrently an employee in 2023. For salary expenses recognized in accordance with IFRS 2 "Share-based Payment," the acquisition of employee stock options, RSAs, and the participation in cash capital increase to subscribe for shares shall also be included in the remuneration.

Note 6: The remuneration of employees received by the Directors who are concurrently employees (including who are concurrently the President, Vice Presidents, other managers, and employees) in 2023 is based on the amount of remuneration of employees for distribution approved by the Board on March 1, 2024.

Note 7: Refer to the compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the Directors from investees other than subsidiaries or the parent company for serving as their directors, supervisors, or managers in 2023.

(II) Remuneration of supervisors

Since January 16, 2019, the Audit Committee has been responsible for carrying out the functions and powers of supervisors stipulated by relevant laws and regulations.

(III) Remuneration of the President and Vice Presidents

December 31, 2023; unit: NT$ thousand

Title	Name	Salaries (A) (Note 1)		Severance pay and pension (B)		Bonuses and special allowances (C) (Note 2)		Remuneration of employees (D) (Note 3)				The sum of A, B, C, and D and as a percentage of net profit after tax (Note 4)		Compensation received from investees other than subsidiaries or the parent company (Note 5)
		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 included in the financial statements		The Company	All companies included in the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Vice Chairman and President	Yu Si-Ping	10,593	15,305	215	215	2,944	2,944	5,024	–	5,024	–	18,776 6.73%	23,488 8.42%	None.
Vice President	Chan Wei-Hsiang													
Vice President	Huang Chao-Wei													

Remuneration range table

Range of remuneration paid to the President and Vice Presidents of the Company	Name of the President and Vice Presidents	
	The Company	All companies included in the financial statements
Less than NT$1,000,000	–	–
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	–	–
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	–	–
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Huang Chao-Wei	Huang Chao-Wei
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	Chan Wei-Hsiang	Chan Wei-Hsiang
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	Yu Si-Ping	Yu Si-Ping
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	–	–
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	–	–
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	–	–
Over NT$100,000,000	–	–
Total	Three persons	Three persons

Note 1: Refer to the salaries, allowances, and severance pay of the President and Vice Presidents in 2023.

Note 2: Refer to the amount of various bonuses, incentives, transportation allowance, special allowances, various subsidies, accommodation, vehicles, other in-kind benefits, and other compensation of the President and Vice Presidents in 2023. For salary expenses recognized in accordance with IFRS 2 "Share-based Payment," the acquisition of employee stock options, RSAs, and the participation in cash capital increase to subscribe for shares shall also be included in the remuneration.

Note 3: The amount of remuneration of employees (including stocks and cash) approved by the Board to be distributed to the President and Vice Presidents in 2023 is based on the amount of remuneration of employees for distribution approved by the Board on March 1, 2024.

Note 4: Net profit after tax refers to the net profit after tax in the or individual financial statements in 2023.

Note 5: Refer to the compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the President and Vice Presidents from investees other than subsidiaries or the parent company for serving as their directors, supervisors, or managers in 2023.

(IV) Names of managers distributing employees' remuneration and distribution:

December 31, 2023; unit: NT$ thousand

	Title	Name	Amount in stock (Note 1)	Amount in cash (Note 1)	Total	Total amount as a percentage of net profit after tax (%) (Note 2)
Manager	President	Yu Si-Ping	-	6,317	6,317	2.27%
	Vice President and Director of Manufacturing Center	Chan Wei-Hsiang				
	Vice President	Huang Chao-Wei				
	Assistant Vice President	Gao Chih-Min				
	Director of the Finance Division	Yan Cheng-Chin				

Note 1: The amount of remuneration of employees (including shares and cash) approved by the Board to be distributed to the managers in 2023 is based on the amount of remuneration of employees for distribution approved by the Board on March 1, 2024.

Note 2: Net profit after tax refers to the net profit after tax in the financial statements in 2023.

(V) Compare and describe the analysis of the total remuneration paid to the Directors, supervisors, President, and Vice Presidents by the Company and all companies included in the financial statements as a percentage of the net profit after tax in the individual financial statements in the most recent two years, and specify the policies, standards, and packages for remuneration payment, the procedures for establishing the remuneration, and the correlation with business performance and future risks

1. The total remuneration paid to the Directors, supervisors, President, and Vice Presidents by the Company and all companies included in the financial statements as a percentage of the net profit after tax in the individual financial statements in the most recent two years

Year / Category	2022		2023	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	2.47%	2.44%	2.97%	2.99%
President and Vice Presidents	4.67%	5.41%	6.73%	8.42%

2. The policies, standards, and packages for remuneration payment, the procedures for establishing the remuneration, and the correlation with business performance and future risks:

(1) Directors' remuneration

The remuneration of the Company's Directors includes the transportation allowance and attendance fees for Board meetings and functional committee meetings, and the fixed compensation of the functional committees.

The Company's policy on remuneration paid to Directors is stipulated in the Articles of Incorporation. If the Company has profits, it shall appropriate no more than 1% as the remuneration of Directors. When Directors of the Company perform duties of the Company, the Company shall provide compensation regardless of its operating gains or losses. The Board is authorized to determine their compensation based on their level of participation in the Company's operations within the standards of the highest salary specified in the salary calculation regulations of the Company.

(2) Remuneration of managers

The remuneration of the Company's President and Vice Presidents includes salaries, bonuses and employee remuneration. Reasonable remuneration is provided based on the material evaluation items, including the remuneration is the overall business performance of the Company and the future operating risks and development trends of the industry, taking into account the individual performance achievement rates and the contribution to the Company's performance. Furthermore, the remuneration is implemented based on the allocation principles recommended by the Remuneration Committee after being approved by the Board. In addition, according to the Company's Articles of Incorporation, if the Company has profits, it shall appropriate 5% to 20% as the remuneration of employees.

IV. Implementation status of corporate governance

(I) Operation of the Board

The Board held seven meetings (A) in 2023, and the attendance of the Directors is as follows:

Title	Name	Attendance (presence) in person B	Attendance by proxy	Attendance (presence) rate in person 【B/A】	Remarks
Chairman	Qisda Corporation Responsible person: Huang Han-Chou	7	-	100%	
Vice Chairman	Yu Si-Ping	7	-	100%	
Director	Qisda Corporation Representative: Xue Dao-Long	6	1	85.71%	
Director	Qisda Corporation Representative: Hong Chiu-Jin	7	-	100%	
Director	Qisda Corporation Representative: Li Zi-Pei	7	-	100%	
Director	Qisda Corporation Representative: Deng Fu-Ji	-	-	-	On February 23, 2023, the corporate Director resigned.
Director	Deng Fu-Ji	3	2	60%	Newly appointed on June 15, 2023.
Independent Director	Yeh Hui-Xin	7	-	100%	
Independent Director	Ma Xiao-Kang	7	-	100%	
Independent Director	He Wen-Xian	7	-	100%	

Other information to be disclosed:

I. If the operation of the Board is under any of the following circumstances, the date and session of the Board meeting, the contents of the proposals, the opinions of all Independent Directors, and the measures adopted by the Company for the opinions of the Independent Directors shall be stated:

1. Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established its Audit Committee; however, matters referred to in Article 14-5 of the Securities and Exchange Act shall apply.
2. Other than the aforementioned matters, other resolutions of the Board with objections or reservations expressed by Independent Directors with records or written statements: None.

II. For the recusal of Directors from proposals due to conflicts of interest, the name of the

Director, the content of the proposal, the reason for the recusal due to conflicts of interest, and the participation in voting shall be specified:

Name of Director	Date	Session	Proposal Content	Reason for recusal due to conflicts of interest and participation in voting
Representatives Huang Han-Chou and Hong Chiu-Jin of Qisda Corporation	2023.03.03	The 1st meeting in 2023	Proposal for the release of the non-competition restrictions of current Directors and their representatives	According to Article 206 of the Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Chairperson Huang Han-Chou designated Independent Director Yeh Hui-Xin to temporarily act as the chairperson for the proposal. Representatives Huang Han-Chou and Hong Chiu-Jin of Qisda Corporation, who have interests in the proposal, recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.
Representative Huang Han-Chou of Qisda Corporation	2023.03.03	The 1st meeting in 2023	Proposal for the donation to the Benji Foundation	According to Article 206 of the Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Chairperson Huang Han-Chou designated Independent Director Yeh Hui-Xin to temporarily act as the chairperson for the proposal. Representative Huang Han-Chou of Qisda Corporation, who has an interest in the proposal, recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.
Yu Si-Ping	2023.03.03	The 1st meeting in 2023	Proposal for the distribution of the remuneration of the senior management for 2022	According to Article 206 of the Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Director Yu Si-Ping, who has an interest in the proposal, recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.
Yu Si-Ping	2023.03.03	The 1st	Proposal for the	According to Article 206 of the

Name of Director	Date	Session	Proposal Content	Reason for recusal due to conflicts of interest and participation in voting
		meeting in 2023	remuneration indicators of the senior management for 2023	Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Director Yu Si-Ping, who has an interest in the proposal, recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.
Yu Si-Ping	2023.03.03	The 1st meeting in 2023	Proposal for the policy for bonus and salary adjustment of the senior management	According to Article 206 of the Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Director Yu Si-Ping, who has an interest in the proposal, recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.
Representatives Xue Dao-Long, Hong Chiu-Jin, and Li Zi-Pei of Qisda Corporation	2023.05.04	The 2nd meeting in 2023	Proposal for the ratification of transactions between the Company and its affiliates	According to Article 206 of the Company Act, Article 178 of the same Act shall apply mutatis mutandis; participation in the discussion and voting of the proposal is not allowed. Chairperson Huang Han-Chou designated Independent Director Yeh Hui-Xin to temporarily act as the chairperson for the proposal. Representatives Xue Dao-Long, Hong Chiu-Jin, and Li Zi-Pei of Qisda Corporation who have interests in the proposal recused from the discussion and voting of the proposal, and the remaining attending Directors and Independent Directors approved the proposal.

III. A TWSE/TPEx listed company shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the self-evaluation (or peer evaluation) of the Board:

1. The Board of the Company approved the "Regulations for Performance Evaluation of the Board" on November 3, 2022. The Board shall conduct the performance evaluation of the Board and its members at least once a year, and an external professional independent institution or external team of experts and scholars shall conduct the Board performance

evaluation at least once every three years.

2. In 2023, the meeting unit of the Board, the Board, and members of the functional committees conducted an internal self-evaluation on the “Board and Board members,” “Audit Committee,” and “Remuneration Committee,” and the results of the evaluation were reported at the Board meeting convened in March 2024. The evaluation results for the Board, Board members, and two functional committees were all “Excellent,” which shows that the functions and operating efficiency of the Board and functional committees are favorable.
3. Implementation status:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implement once a year	For the year ended December 31, 2023	The Board and Board members	Internal self-evaluation of the Board and Board members	(1) Alignment with the Company’s goals and mission (2) Participation in the Company’s operations (3) Internal relationship management and communication (4) Improving the quality of the Board’s decision-making (5) Composition and structure of the Board (6) Awareness of the duties of Directors (7) Election, professionalism, and continuing education of Directors (8) Internal control
Implement once a year	For the year ended December 31, 2023	Audit Committee	Internal self-evaluation of the Audit Committee	(1) Participation in the Company’s operations (2) Awareness of the duties of the Audit Committee (4) Improving the quality of the Audit Committee’s decision-making (4) Composition of the Audit Committee and the election of members (5) Internal control
Implement once a year	For the year ended December 31, 2023	Remuneration Committee	Internal self-evaluation of the Remuneration Committee	(1) Participation in the Company’s operations (2) Awareness of the duties of the Remuneration Committee (4) Improving the quality of the Remuneration Committee’s decision-making (4) Composition of the Remuneration Committee and the election of members

IV. Objectives to strengthen the functions of the Board (i.e., establishment of the Audit Committee and improvement in information transparency) and the implementation evaluation of the year and the most recent year

1. The Company established its Remuneration Committee in 2011 and the Independent Directors and Audit Committee in 2019 to exercise the functions and powers specified in the Securities and Exchange Act, the Company Act and other laws and regulations in order to strengthen its corporate governance and improve the remuneration system for the Company’s Directors and managers.
2. In accordance with paragraph 8, Article 26-3 of the Securities and Exchange Act, the

Company has established the "Rules of Procedure for Board of Meetings." The agenda of Board meetings, operating procedures, matters to be specified in meeting minutes, announcements, and other matters of compliance shall be subject to the Rules. The Board meeting is convened at least once every quarter. Adopting maximizing the interests of shareholders as the policy, Board members shall fulfill their obligations of a good administrator and loyalty and exercise their powers with a high level of self-discipline and prudence.

(II) Operation of the Audit Committee

The Audit Committee held seven meetings (A) in 2023, and the attendance of Independent Directors is as follows:

Title	Name	Presence in person (B)	Attendance by proxy	Presence rate in person (%) 【B/A】	Remarks
Independent	Yeh Hui-Xin	7	-	100%	Convener
Independent	Ma Xiao-Kang	7	-	100%	
Independent	He Wen-Xian	7	-	100%	

Note: The Audit Committee was established on January 16, 2019.

Other information to be disclosed:

I. In the event that the operation of the Audit Committee is under any of the following circumstances, the date and session of the Audit Committee meeting, the contents of the proposals, the opposing opinions, qualified opinions, or major recommendations expressed by the Independent Directors, and the measures adopted by the Company for the opinions of the Audit Committee shall be stated:

1. Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date	Session	Proposal Content	The opinions of all Independent Directors and the measures adopted by the Company for the opinions of the Independent Directors
2023.03.03	The 1st meeting in 2023	Report on the 2022 internal control system statement and the implementation results of the self-evaluation	1. The opposing opinions, qualified opinions, or major recommendations expressed by the Independent Directors: None. 2. All attending Independent Directors and Directors approved the proposal without any opinion. 3. Measures adopted by the Company for the opinions of the Independent Directors: None.
		Proposal for the amendment to the “Internal Control System” and “Implementation Rules for Internal Audits”	
		The 2022 business report, financial statements and the 2023 business plan	
		Proposal for the 2023 earnings distribution	
		Proposal for the amendment to the “Procedures for Acquisition or Disposal of Assets”	
		Proposal for the CPAs fees for 2023	
		Formulation of the Company’s pre-approval non-assurance service policy	
2023.05.04	The 2nd meeting in 2023	Proposal for the amendment to the “Internal Control System” and “Implementation Rules for Internal Audits”	
		Proposal for the change in the Company’s CPAs and the appointment of CPAs for the 2023 financial statements	
		2023 Q1 consolidated financial statements	
		Proposal for the application for listing of the Company’s shares	
		Proposal for requiring initial shareholders to fully waive the subscription of shares for the public underwriting of listing in response to the issuance of new shares under the capital increase in cash for the initial listing of the Company	
		Proposal for the amendment to the “accounting system”	
		Proposal for the ratification of transactions between the Company and its affiliates	
2023.07.06	The 3rd meeting in 2023	Proposal for the Company’s 2023 Q3 and Q4 financial forecast	
		Proposal for the establishment of the “Procedures for Application for Suspension and Resumption of Trading” of the Company	
2023.08.01	The 4th meeting in 2023	Proposal for the amendment to the “Internal Control System” and “Implementation Rules for Internal Audits”	
		Approved the “Statement on Internal Control” for the period from July 1, 2022 to June 30, 2023	
		2023 Q2 consolidated financial statements	
		Approved the Company’s “Corporate Governance Self-Evaluation Report”	
2023.09.18	The 5th meeting in 2023	Proposal for the Company’s 2023 Q4 and 2024 Q1 financial forecast	
2023.11.03	The 6th meeting in 2023	Proposal for the formulation of the 2024 internal audit plan	
		2023 Q3 consolidated financial statements	
		Proposal for the endorsement/guarantee provided to the subsidiary Data Image (Suzhou) Corporation in which the Company holds 100% equity	
		Proposal for the appointment of CPAs for the 2024 financial statements	
2023.12.27	The 7th meeting in 2023	Proposal for the public underwriting of new shares issued under the capital increase in cash before the initial listing	
		Proposal for the amendment to the “internal control system”	

2. Other than the aforementioned matters, resolutions not approved by the Audit Committee but approved by more than two-thirds of all Directors: None.

II. For the recusal of Independent Directors from proposals due to conflicts of interest, the name of the Independent Director, the content of the proposal, the reason for the recusal due to conflicts of interest, and the participation in voting shall be specified: None.

III. Communication between Independent Directors and chief internal auditor and accountants (including material matters, methods, and conclusions of communications for the Company’s finance and business):

The Company’s Audit Committee holds quarterly meetings and discussions regularly and invites accountants, internal auditors, and finance and accounting departments to report to and discuss with the members of the Audit Committee regarding the findings in the audit of the latest financial statements, internal audit results, summary of major litigation cases, and finance and business overview.

IV. The annual work focus and operation

1. Annual work focus

(1) Regularly communicate with the chief internal auditor about the results of the report audits based on the annual audit plan.

(2) Regularly communicate with the Company’s CPAs about the review or audit results of the financial statements

(3) Review the financial statements.

(4) Evaluate the effectiveness of the internal control system.

(5) Review the appointment, dismissal, remuneration and services of CPAs.

(6) Review of the regulations for assets, derivatives, lending of funds to others, endorsement/guarantee, and transactions of material assets, lending of funds to others, and endorsement/guarantee.

(7) Legal compliance.

2. The operation in 2023: All the proposals for the Audit Committee have been reviewed or approved by the Audit Committee, and there are no objections from the Independent Directors.

(III) The implementation status of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons therefor

Evaluation item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	v		The Board approved the establishment of the "Corporate Governance Best Practice Principles" on November 3, 2022. The Principles were disclosed on the Company's website and on the Market Observation Post System (MOPS) and are updated in a timely manner in response to subsequent amendments to relevant regulations.	No significant difference
II. The Company's equity structure and shareholders' interests				
(I) Has the Company established internal operating procedures to handle shareholders' recommendations, doubts, disputes and litigation and implement them in accordance with the procedures?	v		(I) The Company has set up a spokesperson system for the spokesperson to handle related issues.	(I) No significant difference
(II) Has the Company kept track of a list of major shareholders who have substantial control over the Company and the ultimate controllers of such major shareholders?	v		(II) The Company makes reports based on the changes in the equity of Directors, managers, and major shareholders with over 10% shareholding and makes monthly reports and filings to the MOPS regularly. At the same time, the stock affairs agent is entrusted to update the shareholders' register on a regular basis to fully grasp the list of major shareholders and the ultimate controllers of major shareholders.	(II) No significant difference
(III) Has the Company established and implemented risk control and firewall mechanisms with its affiliates?	v		(III) The data of the Company's affiliates are kept independently for remote backups, and the management authority and responsibility are specified. The Company also carries out comprehensive risk assessments of affiliates, their main banks, customers, and suppliers to reduce credit risks. The operation, business, and finance between the Company and its affiliates are clearly divided into independent operations. It has established the "supervision and management of subsidiaries," "Rules Governing Financial and Business Matters with Affiliates," "internal control system," and other relevant regulations for observation.	(III) No significant difference
(IV) Has the Company established internal regulations to prohibit insiders from trading securities using undisclosed information in the market?	v		(IV) The Company has established its "Procedures for Handling Material Inside Information and Prevention of Insider Trading" to regulate the trading of marketable securities of insiders of the Company.	(IV) No significant difference

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>III. Composition and duties of the Board
(I) Has the Board formulated the diversification policy and specific management targets and duly implemented them?</td><td>v</td><td></td><td>(I) The Board members have different professional fields and provide diversified recommendations and implement them. The specific management targets and implementation status of the diversification policy have been disclosed. Please refer to the dedicated chapter on Board diversification and independence (P14).</td><td>(I) No significant difference</td></tr>
<tr><td>(II) In addition to establishing the Remuneration Committee and the Audit Committee according to the law, has the Company established other functional committees voluntarily?</td><td></td><td>v</td><td>(II) The Company has established its Remuneration Committee and the Audit Committee according to the law and will establish other functional committees in the future based on its business requirements.</td><td>(II) They will be established according to the actual needs of the Company.</td></tr>
<tr><td>(III) Has the Company established its regulations for performance evaluation of the Board and its evaluation method? Has the performance been annually and regularly performed with the results of the performance evaluation reported to the Board? Are the results used as the reference for remuneration and nomination for re-appointment of individual Directors?</td><td>v</td><td></td><td>(III) The Board of the Company approved the “Regulations for Performance Evaluation of the Board” on November 3, 2022. For the performance evaluation method and implementation status, please refer to the evaluation cycle and period, methods, and evaluation content of the Board self-evaluation (or peer evaluation) of the Board to be disclosed by TWSE/TPEx listed companies (P22).
The Remuneration Committee establishes and regularly reviews the policies, systems, standards and structures of the performance evaluation and remuneration of Directors and managers and submits the recommendations to the Board for discussion.</td><td>(III) No significant difference</td></tr>
<tr><td>(IV) Has the Company regularly assessed the independence of the CPAs?</td><td>v</td><td></td><td>(IV) The Company’s Audit Committee and the Board evaluate the independence and adequacy of the CPAs annually and require the CPAs to provide the independence declaration and resumes to carry out the evaluation based on the independence items.
Standards for evaluating the independence of the Company’s CPAs:
<table>
<tr><th>Evaluation item</th><th>Evaluation results</th><th>Compliant with the independence</th></tr>
<tr><td>1. Do the CPAs have direct or material indirect financial interest in the Company?</td><td>No</td><td>Yes</td></tr>
<tr><td>2. Do the CPAs have any financing or guarantees with the Company or its Directors?</td><td>No</td><td>Yes</td></tr>
<tr><td>3. Do the CPAs have a close business relationship or potential employment relationship with the Company?</td><td>No</td><td>Yes</td></tr>
<tr><td>4. Do the CPAs and their audit team members serve as Directors, managers, or positions that have a significant</td><td>No</td><td>Yes</td></tr>
</table></td><td>(IV) No significant difference</td></tr>
</table>

Evaluation item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			influence on the audit work of the Company at present or in the most recent two years? 5. Do CPAs provide any non-audit services to the Company that may directly affect the audit work? — No — Yes 6. Do the CPAs act as brokers for the shares or other securities issued by the Company? — No — Yes 7. Do the CPAs act as the defender of the Company or coordinate with other third parties on behalf of the Company in the event of conflicts? — No — Yes 8. Do the CPAs have a relative relationship with the Company's Directors, managers or personnel who have a significant impact on the audit? — No — Yes After confirming that there are no other financial interests or business relationships between the CPAs and the Company apart from the fees for certification of financial statements and the tax filings and that the CPAs' firm (CPAs and its audit team members) are not violating the requirements of independence, the evaluation results in the most recent year had been discussed and approved by the Audit Committee on November 3, 2023 and reported to the Board meeting on November 2023; the Board approved the independence evaluation of CPAs.	
IV. Has the listed company appointed a competent and appropriate number of corporate governance personnel and appointed a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing Directors and supervisors with the information needed to perform their duties, assisting Directors and supervisors in legal compliance, handling matters related to the Board meetings and shareholders' meetings in accordance with the law, and preparing minutes of Board meetings and shareholders' meetings)?	v		On November 3, 2022, the Company's Board resolved to appoint Mr. Yan Cheng-Chin as the corporate governance officer to be responsible for the supervision and planning of corporate governance. His qualifications complied with the requirements for the chief of corporate governance in paragraph 1, Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The duties of the corporate governance officer include providing Directors and the Audit Committee with the information needed for business execution and the latest regulatory developments related to the Company's operations, assisting the Directors and the Audit Committee in legal compliance, reporting to the Corporate Governance Committee and the Board on the implementation of corporate governance annually, handling matters related to the Board meetings and shareholders' meetings in accordance with the law, preparing minutes of Board meetings and shareholders' meetings, and assisting in the appointment and continuing education of Directors and Audit Committee members. The status of business execution in 2023 is as follows: 1. Assisting Independent Directors and general Directors in performing	No significant difference

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>their duties, providing the required information, and arranging the continuing education of Directors.
2. Regularly informing the members of the Board of the latest amendments and developments of laws and regulations related to the Company’s business operations and corporate governance.
3. Review the confidentiality level of relevant information, provide company information required by Directors, and maintain the smooth communications and exchanges between Directors and business executives.
4. Responsible for reviewing the announcement of important information for the material resolutions of the Board after Board meetings to ensure the legality and accuracy of the material information so as to safeguard the equality of investors’ trading information.
5. All Board members have completed at least six credits of continuing education courses.
6. In 2023, a total of seven Board meetings and seven Audit Committee meetings were held.
7. In 2023, one annual shareholders’ meeting was held.
8. The Company has purchased liability insurance for Directors and crucial employees and will report to the Board after the insurance renewal.
9. Conducted the performance evaluation of the Board and the evaluation result was excellent.
10. The continuing education of the corporate governance officer is as follows:
<table><tr><th>Organizer</th><th>Course name</th><th>Date of continuing education</th><th>Hours of continuing education</th></tr><tr><td>Accounting Research and Development Foundation</td><td>“Corporate Governance” Competency Required for Internal Auditors and Financial Reporting Risk Assessment Practices</td><td>2023.03.21</td><td>6</td></tr><tr><td>Securities and Futures Institute</td><td>Seminars for Practices of Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Taipei</td><td>2023.07.25 - 2023.07.26</td><td>12</td></tr></table>Note: As of the publication date</td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
V. Has the Company established channels for communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and appropriately responded to material corporate social responsibility issues of concern by stakeholders?		v	The Company has a spokesperson in place and maintains unblocked communication channels with stakeholders. There is also a stakeholder section on the Company's website, and the Company discloses relevant information on the MOPS as required by requirements. For events that may cause effects on stakeholders, we also publish the material information immediately to ensure that stakeholders can be fully aware of the information.	No significant difference
VI. Has the Company appointed a professional stock affairs agency to handle shareholders' meeting affairs?	v		The Company has appointed Fubon Securities to act as the stock affairs agent to handle shareholders' meeting affairs.	No significant difference
VII. Information disclosure (I) Has the Company set up a website to disclose finance, business and corporate governance information? (II) Has the Company adopted other means of information disclosure (e.g., setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, and uploading the video recordings of investor conferences on the Company's website)? (III) Has the Company announced and reported its annual financial statements within two months after the end of the fiscal year and announced and reported the Q1, Q2, and Q3 financial statements and the operating status of each month before the prescribed deadline?	 v v v		(I) The Company has set up its website (www.dataimage.com.tw) to disclose finance, business and corporate governance information under the investor section. (II) The Company has an English website and has appointed designated personnel to collect and disclose corporate information as required by law. A spokesperson system has also been implemented. (III) The Company has, in accordance with Article 36 of the Securities and Exchange Act, announced and reported its annual financial statements within three months after the end of the fiscal year and announced and reported the Q1, Q2, and Q3 financial statements and the operating status of each month before the prescribed deadline	(I) No significant difference (II) No significant difference (III) No significant difference
VIII. Does the Company have other important information that is helpful to facilitate a better understanding of the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, Directors' and supervisors' continuing education, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for Directors and supervisors)?	v		(I) Employee's rights: The Company has established the Employee Retirement Management Committee in accordance with the Labor Standards Act to contribute to the employee retirement reserve according to the law. The Company has duly implemented the relevant provisions of the Labor Standards Act and formulated safety and health policies, striving to improve the social responsibility and safety and health awareness of all employees. (II) Employee care: The Company has leave, welfare, and retirement systems in place and has established its Employee Welfare Committee to handle	No significant difference

Evaluation item	Implementation status			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			employee welfare measures (i.e., subsidies for weddings, funerals, and celebrations, childbirth subsidies, and travel subsidies). (III) Investor relations: The Company appoints dedicated personnel to immediately announce the information related to finance, business, and changes in insiders' shareholdings on the MOPS in order to achieve openness and transparency of the information, and it has provided the contact information on the website. (IV) Supplier relations The Company has unblocked communication channels with suppliers and upholds the principle of integrity to maintain relationships with suppliers and customers. (V) Stakeholders' rights The Company has unblocked communication channels with its employees, customers, suppliers, banks and other relevant stakeholders and respects their legal rights and interests. (VI) Continuing education of Directors and supervisors The Company notifies the Company's Directors and Independent Directors of attending continuing education for relevant professional knowledge from time to time and also informs the Directors and Independent Directors of the latest updates of corporate governance-related laws and regulations. (VII) Implementation of customer policies The Company maintains a healthy and stable relationship with its customers and is committed to quality improvement and professional technology improvement in order to provide customers with the best services and products. (VIII) Liability insurance purchased by the Company for Directors and supervisors The Company has purchased liability insurance for directors and independent directors.	
IX. Please describe the improvements made based on the Corporate Governance Evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year and propose prioritized enhancement matters and measures for the areas that have not yet been improved: None.				

(IV) If the Company has a Remuneration Committee, the composition, duties and operation of the Committee shall be disclosed:

1. Members of the Remuneration Committee

Identity	Condition / Name	Professional qualifications and experience	Status of independence (Note)	Number of concurrent positions as a remuneration committee member in other public companies
Independent Director (convener)	Yeh Hui-Xin	1. Department of Accounting, Tunghai University; former partner, Ernst & Young. 2. Her main current positions include the responsible person of V.King & Co., CPAs, the director of Weixin Financial Consulting Co., Ltd., and the supervisor of Acter Group Corporation Limited and Simula Technology Inc.. 3. He is equipped with finance, accounting and business management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	2
Independent Director	Ma Xiao-Kang	1. PhD, Mechanical Engineering, University of Illinois (US); Master of Mechanical Engineering, University of Wisconsin (US); former professor of the Department of Mechanical Engineering of the National Taiwan University, Committee, Environmental Protection Administration, Executive Yuan, Independent director, Taiwan Power Company, the chairman of the Environmental Resources Research and Development Foundation, and the chairman of Chinese Boiler Association Taiwan and the Combustion Institute of R.O.C.. 2. His main current positions include the chairman of Taiwan Carbon Capture Storage and Utilization Association, the secretary general of Taiwan Net Zero Emissions Association, TC Committee, National Environmental Research Academy, the independent director of Ho-Ping Power Company, the independent director of Chung Hua Chemical Industrial Works Ltd. and the Chung Hwa Pulp Corporation. 3. He is well aware of the knowledge required by the industry environment and is equipped with professional leadership and management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	3

Independent Director	He Wen-Xian	1. MBA, National Taiwan University; former chairman of ABN AMRO Guanghua Investment Consulting Co., Ltd., vice president of the Fund Management Department of ABN AMRO Guanghua Investment Trust, and vice president of the Discretionary Investment Department of ABN AMRO Guanghua Investment Trust; CSIA of the Republic of China. 2. His major current position is related to the Elite Lectures of the Taiwan Academy of Banking and Finance. 3. He is equipped with finance, accounting and business management capabilities. 4. There were no circumstances described in Article 30 of the Company Act that occurred.	Compliant	-

Note: Status of independence: including but not limited to whether themselves, their spouses, relatives within the second degree of kinship are serving as Directors, supervisors, or employees of the Company or its affiliates; the number and ratio of shares held by themselves, their spouses, relatives within the second degree of kinship (or in the name of others); whether they serve as the directors, supervisors, or employees of companies with special relationships with the Company (please refer to the requirements under subparagraphs 5 to 8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); compensation received from the Company or its affiliates for the provision of business, legal affairs, finance, and accounting services in the most recent two years.

2. Responsibilities of the Remuneration Committee: The Remuneration Committee shall exercise the due care of a good administrator to faithfully perform the following functions and submit its recommendations to the Board for discussion:
   (1) Formulate and regularly review the policies, systems, standards and structures for the performance evaluation and remuneration of Directors and managers.
   (2) Regularly assess and determine the remuneration of Directors and managers.

3. Operation of the Remuneration Committee
   (1) The Company’s Remuneration Committee consists of 3 members.
   (2) The term of office of the current members: From August 24, 2021 to August 23, 2024. In 2023, the Remuneration Committee held three meetings (A), and the qualifications and attendance of members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Remarks
Convener	Yeh Hui-Xin	3	-	100%	
Member	Ma Xiao-Kang	3	-	100%	
Member	He Wen-Xian	3	-	100%	

Other information to be disclosed:

1. If the Board did not adopt or amend the recommendations of the Remuneration Committee, the date and session of the Board meeting, the contents of the proposals, resolutions of the Board, and the measures adopted by the Company for the opinions of the Remuneration Committee (if the remuneration approved by the Board is more favorable than the recommendation of the Remuneration Committee, the deviation and reason shall be stated) shall be specified:
2. For the resolutions made by the Remuneration Committee with objections or reservations expressed by the members with records or written statements, the date and session of the Remuneration Committee meeting, the contents of the proposals, opinions of all members, and the measures adopted by the Company for the opinions of members shall be stated:

<table>
<tr><th>Date</th><th>Session</th><th>Proposal Content</th><th>Resolution results and the measures adopted by the Company for the opinions of members</th></tr>
<tr><td>2023.01.12</td><td>The 1st meeting in 2023</td><td>Distribution of the 2022 year-end bonuses of the senior managers</td><td rowspan="6">1. Approved by all attending members.
2. Measures adopted by the Company for the opinions of members: None.</td></tr>
<tr><td rowspan="5">2023.03.03</td><td rowspan="5">The 2nd meeting in 2023</td><td>1. Proposal for the distribution of remuneration of employees and Directors for 2022</td></tr>
<tr><td>2. Proposal for the distribution of the remuneration of the senior management for 2022</td></tr>
<tr><td>3. Proposal for the recommended remuneration indicators of the senior management for 2023</td></tr>
<tr><td>4. Proposal for the policy for bonus and salary adjustment of the senior management in 2023</td></tr>
<tr><td>5. Proposal for the adjustment to the ratio of employee and Director remuneration distribution</td></tr>
</table>

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

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development, with the senior management authorized by the Board to make arrangements? How is the supervision of the Board?	v		The Company officially established the “Data Image Sustainable Development Promotion Team” on July 6, 2023 to be responsible for proposing and implementing sustainable development policies, systems or related management guidelines and substantial promotion plans. President Yu Si-Ping is the chairman, and senior executives of departments are members of different aspects. Vice President Huang Chao-Wei of the Operations Management Center is responsible for coordinating and promoting cross-department sustainable corporate development affairs and integrating relevant departments to establish promotion targets in terms of green products, green operations, green supply chain, social responsibility, and financial performance. It is estimated that reporting and examination of the implementation effects will be performed annually, and reporting to the Board will be carried out regularly.	No significant difference
I. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to corporate operations in accordance with the principle of materiality and established relevant risk management policies or strategies?	v		(I) The disclosure covers the sustainable development performance of the Company’s main business locations in 2023. Risk assessments focus on the Taiwan HQ, as well as the Shuangxing Plant in Taoyuan, and the Suzhou Plant in China, both are manufacturing bases. The Company distributes questionnaires on a regular basis to understand the major topics of concern of stakeholders in the three major aspects of economy/governance, society, and environment. Regarding material topics identified for the year, the Company examines its meaning to the Company and its scope of effect, sets annual risk management targets for control, examines the target annually, and discloses the achievements of the management targets. (II) Based on the risk assessment, relevant risk management policies or strategies are formulated as follows:	No significant difference

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Material issues</th><th>Risk assessment item</th><th>Risk management strategy</th></tr>
<tr><td rowspan="3">Economy / governance</td><td>R&D and innovation of green products</td><td>Examine the reduction opportunities of product carbon emission from the perspective of the life cycle.</td></tr>
<tr><td>Customer relationship management</td><td>1. Comply with customer requirements and provide better service quality.
2. Formulate improvement measures based on customer satisfaction feedback. Provide product and service quality.</td></tr>
<tr><td>Sustainable supply chain management</td><td>1. Attach attention to the supplier’s governance, environmental, and social aspects in order to work together to promote the sustainable development of the value chain.
2. Through risk assessment and identification, suppliers can respond to relevant deficiencies early, avoid possible crises, and further strengthen the sustainable supply chain.</td></tr>
<tr><td rowspan="3">Society</td><td>Talent recruitment</td><td>1. Create premium work environments and diverse career development channels to attract and retain outstanding talents. Improve the education and training system in line with the Company’s strategic development and business management targets; enhance the overall competitive advantage of the organization.
2. Providing premium work environments and remuneration packages.</td></tr>
<tr><td>Employee welfare and salary</td><td>1. Provide employees with competitive compensation and welfare to attract and retain outstanding talents.
2. Increase the fixed monthly salary each year, annual salary adjustment, employee bonuses and year-end bonuses compared to the regional peers.</td></tr>
<tr><td>Employee education and training</td><td>1. Build a comprehensive education, training and development system that provides diverse learning and development environments to attract and retain outstanding talents.
2. 100% completion rate of policy-based compulsory courses.</td></tr>
<tr><td rowspan="2">Environment</td><td>Pollutant impact management</td><td>1. Starting from the source design, increase the 3R ratio for products and packaging materials; reduce business waste and increase the recycling rate.
2. Introduce green product courses and recycle waste.</td></tr>
<tr><td>Energy management</td><td>1. Improve energy efficiency.
2. Use high-efficiency equipment to continuously improve energy performance and efficiency.
3. Allow employees and suppliers to be aware of the carbon reduction mindset and methods to avoid waste.</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>III. Environmental issues
(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?

(II) Has the Company been committed to improving energy efficiency and using recycled materials with low impact on the environment?</td><td>v

v</td><td></td><td>(I) The environmental management system of the Company focuses on the Shuangxing Plant in Taoyuan and the Suzhou Plant in China, both are manufacturing bases. The Company obtained the ISO 14001 environmental management system certification in 2006 and regularly performed internal and external audits each year to ensure the operation of various environmental management standards. In the future, GHG inventories will also be conducted to improve energy performance and further reduce GHG emissions.
Certificate validity period:
<table>
<tr><th></th><th>Shuangxing Plant in Taoyuan</th><th>Suzhou Plant in China</th></tr>
<tr><td>ISO 14001</td><td>2024/08/04</td><td>2025/06/16</td></tr>
</table>
(II) In order to reduce the impact of energy consumption on global warming, we plan to replace old power consumption equipment with inverter/energy-saving equipment and continue to adopt administrative management to save energy so as to achieve the target of GHG emissions reduction.
<table>
<tr><th>Climate indicators</th><th>2022</th><th>2023</th><th>Reduction % (compared to the base year)</th></tr>
<tr><td>Total GHG emissions (tCO_2e)</td><td>5,549.4682</td><td>5483.7065</td><td>1.19%</td></tr>
</table>
The Company is committed to improving the consumption efficiency of various resources and actively implementing resource recycling and classification in terms of source management, which significantly reduces waste generation and increases the amount of resource recycling. In terms of water resources management, no wastewater is generated from the process. Each manufacturing site only generates domestic wastewater. Therefore, there is no water for industrial use, and the risk of water pollution is low. From the R&D and design to the manufacturing stage of products, the green product concept is adopted as the starting point, and the Company further considers the extension of the product life cycle, energy conservation, recycling convenience, low toxicity, and reduction of environmental hazards.
In accordance with international regulations and customers' requirements, raw materials used by the Company are in compliance with</td><td>No significant difference

No significant difference

The Company will adopt countermeasures based on the subsequent assessment results.

No significant difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>the EU’s RoHS regulations. Through communications with suppliers in terms of the self-disclosure of the use of direct materials, indirect materials, energy and resources, waste emissions, and transportation energy consumption, we allow suppliers to understand the calculation method for products’ life cycle and possible impacts on the ecology.</td><td></td></tr>
<tr><td>(III) Has the Company evaluated the potential risks and opportunities of climate change on the Company at present and in the future and adopted relevant countermeasures?</td><td>v</td><td></td><td>(III) On July 6, 2023, the Board approved the “Sustainable Development Best Practice Principles” and established the “Data Image Sustainable Development Promotion Taskforce.” According to the plan, it will assess the current and future potential risks and opportunities of climate change to the Company starting from 2024 and adopt countermeasures against climate-related issues based on the assessment results.</td><td></td></tr>
<tr><td>(IV) Has the Company kept statistics on the amount of greenhouse gas (GHG) emission, water consumption and total weight of waste in the most recent two years and formulated policies for GHG reduction, reduction of water consumption, or the management of other wastes?</td><td>v</td><td></td><td>(IV) For the 2022 GHG emission inventory, an inventory on Scope 1 and Scope 2 was performed in accordance with ISO 14064-1.
The Company keeps annual statistics on GHG emissions, water consumption and total weight of waste as follows:
1. GHG emissions in the most recent two years: (Scope 1 and 2 information covers all plants) (tCO2e)
<table>
<tr><td>Year</td><td>Scope 1</td><td>Scope 2</td></tr>
<tr><td>2022</td><td>71.2745</td><td>5478.1937</td></tr>
<tr><td>2023</td><td>68.9641</td><td>5,414.7424</td></tr>
</table>
The total amount of Scope 1 and Scope 2 GHG emissions in 2023 was 5,483.7065 tons, mainly from the indirect GHG emissions of imported energy under Scope 2 accounting for 98.7% of the mentioned emissions; followed by direct GHG emissions under Scope 1, accounting for 1.3%. We plan to replace old power consumption equipment with inverter/energy-saving equipment and continue to adopt administrative management to save energy so as to achieve the target of GHG emissions reduction.
2.Water consumption:
The Company has been focused on water resource and energy conservation issues for many years. In terms of water conservation plans, we start with the full implementation of water conservation on a daily basis to maximize the benefits of the water resources available.
<table>
<tr><td>Year</td><td>Total water consumption (10,000 liters)</td></tr>
<tr><td>2022</td><td>4,940.15</td></tr>
<tr><td>2023</td><td>4,998.947</td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			Domestic sewage produced by the employees of Taoyuan Plant is discharged to the water pollution control equipment of the parent company, Qisda Group, and the equipment is operated and maintained by professionals. Contact aeration was adopted for the domestic sewage, and the sewage generated was discharged to the sewage management system set up by the government. Sewage from the Suzhou Plant in China is directly discharged to the public sewage system. For the water quality test of sewage, the Taiwan Plants are more favorable than the wastewater intake standards of the Guishan Industrial Park, and the Suzhou Plant complies with the general sewage discharge standards. Effluents from all plants are regularly monitored and not reused by other organizations. 3.Total weight of waste: 21.3tons in 2023; 13.7 tons in 2022. The Company effectively manages the generation, clearance, and disposal of waste in accordance with regulations. In addition to continuous energy conservation and waste reduction activities, we have also adopted a source management strategy to manage waste at the design stage and manufacturing stage. Hazardous waste, as defined by the Basel Convention, is not generated during the processes. In terms of waste treatment, in addition to appointing qualified waste clearance and processing companies for incineration or reuse, the Company also adheres to the concept of a responsible producer to conduct regular audits of waste processing companies to ensure that the waste is properly processed. In order to improve the percentage of waste recycled, the Company has established waste management procedures and regularly examines targets to achieve long-term monitoring effects.	
IV. Social issues (I) Has the Company established relevant management policies and procedures in accordance with relevant regulations and International international human rights covenants?	v		(I) The Company agrees and voluntarily follows the “Universal Declaration of Human Rights,” “The United Nations Global Compact,” “ILO Declaration on Fundamental Principles and Rights at Work,” California Transparency Act, and the UK Modern Slavery Act Act. We protect the rights and interests of employees and have a variety of communication channels. Any incident of sexual harassment or inappropriate treatment of employees may be reported directly to the Company’s human resource department in accordance with the “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” and the “Prevention Program for Illegal Infringement during the Performance of Duty,” and the Company	No significant difference

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			shall protect the confidentiality of the whistleblower's identity. If external stakeholders have any concerns about the issue, they may file a complaint through the CSR mailbox announced on the Company's official website. The Company's personnel management policies and specific plans are summarized as follows:	

Counterparty	Human rights management targets	Specific plan	Achievements
Internal employees	Plan for diversified employee welfare so that all employees can experience a premium work environment and a healthy and happy corporate culture.	Employee salaries and pensions	In 2023, the Company has maintained consistent starting salary standards for new entry-level employees regardless of gender.
		Employee benefits	Data Image complies with relevant social insurance regulations and systems worldwide to protect the basic rights and interests of employees. The Company also provides group insurance for employees and arranges insurance companies to assist in claim filing services.
		Establishment of unblocked and healthy labor-capital communication channels and relationships	In accordance with labor laws and regulations, the Employee Welfare Committee meetings and labor-capital conferences are convened on a quarterly basis for communication with the Company's management representatives.
		Employee health management	The five major aspects of the health management model: 1. Occupational health services: Establish on-site health services: occupational safety interviews, health interviews with medical personnel, implementing occupational disaster prevention and control, and reducing the occurrence of occupational disasters. So far, Data Image has no instance of occupational disease

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			caused by work-related reasons. 2. Promotion of workplace maternal health protection: Since 2021, we have implemented a maternal health protection program to adopt necessary maternal health protection and care management for female workers who are pregnant, who gave birth within one year, or who are breastfeeding. 3. Disease control and care: We established a global pandemic reporting system to instantly understand the stock of supplies in each branch and the health follow-up status of employees while providing pandemic control and health-related e-newsletters from time to time to remind employees of the importance of health and pandemic prevention. 4. Health management and follow-up: The Framingham Risk Score is adopted for the total blood cholesterol, high-density cholesterol, blood pressure and other examination items in the physical or health examination report of employees to calculate the risk of cardiovascular diseases within 10 years. Employees with a history of cardiovascular diseases or who have medication to control cardiovascular diseases can follow the recommendations of contracted labor physicians, and such employees are included in the mid-to-high-risk group of cardiovascular diseases. 5. Promotion of LOHAS: Since October 2021, the Company has been promoting the weekly health	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td></td><td>reports through on-site health services. Promote diet, exercise, disease and other health improvement activities.</td></tr></table></td><td></td></tr>
<tr><td>(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, leave and other welfare) and appropriately reflect the business performance or results in the remuneration of employees?</td><td>v</td><td></td><td>(II) Respecting humanity and caring for employees has always been a part of the Company’s business philosophies. In order to duly take care of the physical and mental health of employees and their dependents and provide them with living security, the Company provides bonuses for Chinese New Year and festivals, performance bonuses, operating bonuses, leave, group insurance, health inspections, and employee training programs, and the remuneration, working hours, and various benefits are specified in the working rules, so that employees can focus on their work without distractions.
1. <u>Employees’ remuneration</u>
In order to provide employees with a competitive remuneration policy, employees’ salaries are adjusted based on individual academic background and work experience, professional skills, and employees’ performance to ensure that their salaries are in line with the market conditions and fairness. Every year, Data Image mainly refers to the third-party salary survey report and the Company’s operation status and reviews whether the targets are achieved at the end of the year. Regarding the remuneration of senior executives, it examines whether the performance indicators related to annual remuneration have been achieved at the meeting of the Remuneration Committee and determines their annual remuneration.
2. <u>Employee welfare measures</u>
The Company has established the Employee Welfare Committee, which appropriates the welfare fund on a monthly basis. In addition, the Company provides various premium welfare for employees each year: insurance for short-term overseas business trips, free health inspection, special discounts for employees on corporate products, subsidies for employees’ activities, subsidies for weddings and funerals, and condolences for illness.
In terms of the leave system, in addition to the basic weekend, employees who have been with the Company for more than one year are granted seven days of leave per year. Employees may apply for leave without pay</td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
			due to severe injury, illness or significant accident that requires them to take longer leaves to care for the requirements of family members and families. 3. Diversity and equality opportunity The Company offers equal pay and equal promotion opportunities for men and women for the same job and maintains more than 37% and 35% of female executives in Taiwan and Suzhou, thereby promoting the economic growth of sustainable co-prosperity. 4. Percentage of local employees When recruiting new employees, priority is given to the local residents (Xizhi District), and the Company cultivates outstanding local management personnel; the percentage of the employment of local residents is maintained at over 29%. 5. Business performance is reflected in employees' remuneration The Company's employee remuneration distribution is approved by the Board and then reported to the shareholders' meeting, which can be used as a performance management approach to measure and motivate all employees. In addition, the remuneration of the Board and senior management (i.e., managers) is appropriately disclosed in the Company's annual report to allow all stakeholders to fully understand the correlation between employees' compensation and the Company's business performance.	
(III) Has the Company provided employees with a safe and healthy work environment, and provided employees with safety and health education on a regular basis?	v		(III) All our business locations comply with items and frequency specified in national laws and regulations for 1. occupational safety and health education and training, 2. voluntary inspection of production equipment and operations, 3. monitoring of workplace environment, 4. employees' health inspections, 5. fire system inspection, and 6. emergency response drills. The occupational safety department conducts spot checks and patrol inspections regularly or from time to time to confirm the implementation status of responsible departments. In addition, the Company also conducts annual employee health inspections and health events from time to time to maintain the physical and mental health of employees.	
(IV) Has the Company established an effective career ability development training program for employees?	v		(IV) Crucial employee development plans 1. In response to future challenges, the Company established an employee learning course blueprint and developed employees' professional	

Evaluation item	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
(V) Has the Company complied with relevant regulations and international standards on issues such as customer health and safety, customer privacy, marketing, and labeling? Has the Company established relevant policies and complaint procedures for the protection of consumers' or customers' rights and interests? (VI) Has the Company had a supplier management policy in place to require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? What is the implementation status?	v v		capabilities. 2. Leadership development plan for executives. 3. Development plan for potential talents. 4. Cultivation of marketing data analysis talents. (V) The Company has established a code of conduct for the protection of personal data and management protection based on the basic principles of the GDPR and common regulatory requirements to serve as the framework of conduct to be followed within the Company and by all employees and the Company promises that the operations and business execution will not violate the code of conduct. In terms of customers' rights and complaints, Data Image regularly conducts customer satisfaction surveys to ensure that customers' requirements are understood and satisfied. Customers can also use the questionnaire for appeal and proposing any issues that require Data Image to improve or provide assistance. Data Image conducts a comprehensive customer service satisfaction survey in January each year, and the customer service department will issue a notice to the corresponding contacts of the customers at once. (VI) The Company requires its suppliers to comply with social and environmental responsibilities and is committed to complying with laws related to environmental protection, occupational safety and health, and labor human rights. Such requirements are included in the scope of supplier evaluation, including the signing of the RoHS declaration. Through the supplier selection process, suppliers are reviewed and evaluated at different levels. The review levels include basic corporate information, product information, major customers and financial status, relevant contracts with the Company's procurement obligations, and suppliers' hazardous substances control documents. If the suppliers have material impacts on the environment and society as their materials fail to comply with the Restriction of the Use of Hazardous Substance and other regulations, the suppliers have to propose improvement plans. If improvements cannot be made or in the case of severe circumstances, the Company may propose terms of contract termination or cancelation.	

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>V. Has the Company prepared reports that disclose the Company’s non-financial information (i.e., the sustainability report) with reference to international standards or guidelines for the preparation of reports? Has the Company obtained assurance or guarantee opinions from a third-party certifying institution for the aforementioned reports?</td><td>v</td><td></td><td>On July 6, 2023, the Board approved the “Sustainable Development Best Practice Principles” and established the “Data Image Sustainable Development Promotion Taskforce.” However, it has not prepared its sustainability report or reports that disclose the Company’s non-financial information. The Company has commenced preparing its sustainability report and reports that disclose the Company’s non-financial information with reference to international standards or guidelines for the preparation of reports.</td><td>The Company will complete the preparation of the sustainability report in accordance with the deadline and regulations required by the competent authority.</td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development best practices principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current practices and any deviations from the Principles: On July 6, 2023, the Board has approved the “Sustainable Development Best Practice Principles” and established the “Data Image Sustainable Development Promotion Taskforce” to be responsible for promoting various activities related to sustainable development and social responsibility, and the overall operation has no significant difference from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
<tr><td colspan="5">VII. Other important information helpful to facilitate a better understanding of the implementation status of sustainable development:
1.The Company is committed to promoting participation in public welfare. Since 2020, the Company has continued to donate to the BenQ Foundation each year, with a cumulative amount of over N$3 million, to support the foundation’s activities that adopt humans and land as the start and “care for the land” and “care for society” as the foundation, and adopt four major themes of “narrowing digital gap,” “cultivating honest and smart people,” “improving the original culture value,” and “care for the land” to integration the core abilities of enterprises and investment in the four major targets of digital opportunities, education of harmony, culture value, and environmental sustainability. By doing so, the Company can facilitate the positive force of social communities and shape and deepen the cultivation of its internal corporate culture so as to nurture outstanding talents and become a public citizen of harmony.
2.Since 2022, the Company has cooperated with the New Taipei City Blind Welfare Association for the provision of massage and healthcare to care for employees by taking action. It not only helps employees relieve their emotional stress but also creates an environment that supports the employment of persons with physical disability and encourages persons with visual disabilities to become the productive population. By doing so, the Company can facilitate social stability and economic development, fulfilling its corporate social responsibility.</td></tr>
</table>

Climate-related information of listed OTC companies

1 . Implementation of climate-related information

Item	Execution situation
1. Describe board and management supervision and governance of climate-related risks and opportunities.	Our company plans to establish a Sustainability Committee under the Board of Directors, which will assess environmental, social, and corporate governance issues relevant to the company's operations based on significant principles. The committee will be responsible for proposing and executing sustainability policies, systems, or related management guidelines, as well as specific implementation plans. It will report on progress to the Board of Directors annually.
2. Describe how the identified climate risks and opportunities affect the business,strategy and finances (short, medium and long term).	None.
3. Describe the financial impact of extreme climate events and transitional actions.	None.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Since 2016, our company has obtained ISO 14001 certification for environmental management systems. We conduct regular internal and external audits each year to ensure compliance with various environmental management standards. Additionally, since 2022, we have been monitoring greenhouse gas emissions. In the future, we will conduct greenhouse gas inventories and verifications to improve energy performance and further reduce greenhouse gas emissions.
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 explained.	None.
6. If there is a transition plan for managing climate-related risks, describe the contentof the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	None.
7. If internal carbon pricing is used as a planning tool, the basis for setting the priceshould be stated.	None.
8. If climate-related goals are set, the covered activities, scope of greenhouse. gas emissions, planning schedule, annual progress and other information. should be stated, if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the offset should be stated Replace it with the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs).	To reduce the impact of energy consumption on global warming, we plan to replace old electrical equipment with energy-efficient devices such as variable frequency equipment. We will also continue administrative management efforts to conserve energy. These measures aim to achieve the goal of reducing greenhouse gas emissions, with regular monitoring of effectiveness and reporting to management levels.
9. Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	See attachments 1-1 and 1-2.

1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information: Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million yuan) and data coverage of greenhouse gases in the past two years.

year / scpoe		2022		2023	
		Total emissions (metric tons O2e)	Intensity (metric tons of CO2e/million yuan)	Total emissions (metric tons CO2e)	Intensity (metric tons of CO2e/million yuan)
Scope 1	Parent company	39.9545		37.7541	
	subsidiaries	31.3200		31.2100	
	subtotal	71.2745		68.9641	
Scope 2	Parent company	294.8347		258.4424	
	subsidiaries	5183.3590		5156.3000	
	subtotal	5478.1937		5414.7424	
total		5549.4682	1.1276	5483.7065	1.4002

The data coverage is the same range as the financial statements.

1-1-2 Greenhouse Gas Confirmation Information: The description of the confident situation for the most recent two years as of the publication date of the annual report is as set out in the table above.

According to the roadmap for sustainable development of listed companies, assurance should be implemented at least within the defined coverage scope:

(1) According to the exclusive roadmap for listed parent companies of group corporations.

(2) The parent company entity should implement assurance starting from 2027.

(3) Subsidiaries included in the consolidated financial statements should implement assurance starting from 2027.

Year / Item	2022	2023
Assurance Scope	Parent company and subsidiaries	Parent company and subsidiaries
Assurance Provider	Internal verification	Internal verification
Assurance Standards	ISO14064-1:2018	ISO14064-1:2018
Assurance Opinion	Conducted in accordance with the exclusive roadmap for listed companies.	Conducted in accordance with the exclusive roadmap for listed companies.

1-2 Greenhouse gas reduction goals, strategies, and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
Greenhouse gas reduction baseline year andreduction target In 2022, the consolidated company completed counts with the boundary of the consolidated financial statements, thus the baseline year is 2022. The Scope 1 emissions were 71.2745 metric tons CO2e, and Scope 2 emissions were 5478.1937 metric tons CO2e, resulting in a total greenhouse gas emissions of 5549.4682 metric tons. Reduction targets are set as follows: a 20% reduction in carbon emissions by 2030, achieving RE100 by 2040, and achieving net zero emissions by 2050. Greenhouse gas reduction strategies and specific actions (1) Enhancing energy efficiency: To improve energy efficiency, we aim to replace outdated electrical equipment with energy-efficient variable frequency devices. Additionally, we will continue administrative management efforts to conserve energy, thereby achieving our goal of reducing greenhouse gas emissions. (2) Utilizing renewable energy: Investing in rooftop solar power generation equipment to increase the proportion of renewable energy usage.

(VI) The implementation status of ethical corporate management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Evaluation item	Implementation status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
I. Establishment of ethical corporate management policies and plans (I) Has the Company established an ethical corporate management policy approved by the Board and stated in its Articles of Incorporation or external documents the Company's policies, practices of ethical corporate management, and the commitment of the Board and senior management to actively implement business policies? (II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis the business activities within their business scope that are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly, which at least cover the prevention measures against the conducts listed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? (III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance processes in the program preventing unethical conduct, put them in practice, and regularly reviewed and amended the program?	v v v		(I) The Company established the "Ethical Corporate Management Best Practice Principles" on November 4, 2020, which was approved by the Board. The Principles provide clear regulations for the policies and practices of ethical corporate management. (II) The Company has clearly stipulated in the "Ethical Corporate Management Best Practice Principles" the prohibition of any unethical conduct and has organized education and training and established a whistle-blowing system to prevent employees or Directors and supervisors from taking advantage of their positions to seek unlawful benefits, leak trade secrets, accept rebates, or engage in other unethical conducts. (III) The Company has clearly stipulated in the "Ethical Corporate Management Best Practice Principles" that the unethical behavior of the Company's Directors, managers and employees is prohibited and specifically regulates the matters that the Company's personnel shall pay attention to when conducting business, including specifying operating procedures and behavioral guidelines, and the disciplinary and complaint system. The scope of application is the Company, and the Company duly implements them in business operations and regularly makes corrections based on audits and examinations.	No significant difference
II. Implementing ethical corporate management (I) Has the Company evaluated the ethical records of its trading counterparties and specified the ethical conduct clauses in the contracts signed with its trading counterparties? (II) Has the Company set up a dedicated unit under the Board to promote corporate ethical management? Has the unit regularly (at least once a year) reported to the Board regarding its ethical corporate policies, the programs for preventing unethical conduct, and the supervisory status?	v v		(I) The Company carries out ethical conduct evaluation before having transactions with customers or suppliers and adopts legal measures as remedial measures in case of breach of contract subsequently. (II) The Company has established a management unit under the Board to promote ethical corporate management (the Company's Operations Management Division) and regularly reports to the Board annually. The implementation status in	No significant difference

Evaluation item	Implementation status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Description	
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate channels for communication, and implemented such policies? (IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit? (V) Has the Company provided internal and external ethical conduct training programs on a regular basis?	v v v		2023 was reported to the Board on March 1, 2024. (III) The Company's "Code of Ethical Conduct for Directors, Supervisors and Managers" and "Rules of Procedure for Board Meetings" have regulated the recusal from matters with interests or related parties due to conflicts of interest. (IV) The Company continues to amend its internal control system in compliance with the requirements of the laws and regulations and conducts inspections and evaluations on the effectiveness of the implementation of the internal control system. The Audit Office formulates audit plans based on the results of unethical conduct risk assessments and conducts audits on a regular basis. Items required by law are included in the annual audit items, and the audit results and improvement status are reported to the Audit Committee and the Board on a quarterly basis. The Company's accounting system is established in accordance with the requirements of laws and regulations. The CPAs also audit or review the Company's financial statements on a quarterly basis and issue reports, and report the audit or review results to the Audit Committee members at Audit Committee meetings on a regular basis. (V) The Company strengthens its ethical corporate management policy through internal promotion on a regular basis. In 2023, all employees of the Company have received the Ethics Handbook training and questionnaires.	
III. The implementation status of the Company's whistleblowing system (I) Has the Company established a specific whistleblowing and reward system, established convenient channels for whistleblowing, and assigned appropriate dedicated personnel to handle the reported subjects? (II) Has the Company established standard operating procedures for the investigation of whistleblowing matters, the follow-up measures to be taken after the investigation is completed, and the related confidentiality mechanism? (III) Has the Company taken measures to protect the whistleblower from improper treatment due to their reporting?	 v v v		(I) The Company's Ethical Corporate Management Best Practice Principles stipulate that all illegal incidents must be reported to the superiors; there are a whistleblower mailbox, hotline and dedicated personnel in place. (II) For the investigation of reported cases accepted by the dedicated unit, the procedures have related confidentiality mechanisms. (III) The Company's dedicated unit protects whistleblowers from improper treatment due to their reporting.	No significant difference

<table>
<tr><td rowspan="2">Evaluation item</td><td colspan="3">Implementation status</td><td rowspan="2">Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td>IV. Strengthening of information disclosure
(I) Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the implementation effects on its website and MOPS?</td><td>v</td><td></td><td>The Company has disclosed its Ethical Corporate Management Best Practice Principles on MOPS.</td><td>No significant difference</td></tr>
<tr><td colspan="5">V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the current practices and any deviations from the Principles: The Company has established its Ethical Corporate Management Best Practice Principles on November 4, 2020, which was approved by the Board, and its implementation is in line with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.”</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the Company’s corporate conduct and ethics compliance practices (such as reviewing and amending the Company’s existing Ethical Corporate Management Best Practice Principles): The Ethical Corporate Management Best Practice Principles specify that the Company shall regularly organize education, training, and communication for Directors, management, employees, proxies, and substantial controllers and invite counterparties who engage in business conducts with the Company to participate.</td></tr>
</table>

(VII) If the Company has established the Corporate Governance Best Practice Principles and related regulations, the inquiry methods shall be disclosed:

The Company has established the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Sustainable Development Best Practice Principles," and other relevant regulations. The Company operates and implements relevant regulations on corporate governance in accordance with the spirit of corporate governance, improves information transparency, enhances the Board's functions and powers, and promotes corporate governance implementation through amending relevant regulations. Relevant regulations are disclosed on the Company's website (http://www.dataimage.com.tw) for shareholders' inquiries and disclosed on MOPS (http://mops.twse.com.tw) according to the "Regulations Governing Information to be Published in Annual Reports of Public Companies" and other relevant regulations.

(VIII) Other important information that is helpful to facilitate a better understanding of the Company's corporate governance:

1. The Board approved the resolution to formulate the "Procedures for Handling Material Inside Information and Prevention of Insider Trading" on December 17, 2009 and resolved to make the amendments on November 3, 2022. The Procedures were announced in the corporate governance section on the Company's website.
2. The Board approved the resolution to appoint a corporate governance officer on November 3, 2022 to protect the rights and interests of shareholders and strengthen the functions and powers of the Board.
3. Newly elected directors of the Company are notified of all laws and regulations (including the aforementioned Procedures for Handling Material Inside Information and Prevention of Insider Trading) and precautions when assuming the office for the benefit of new directors' compliance.

(IX) The following matters regarding the implementation status of the internal control system shall be disclosed

1. Statement on Internal Control:

Data Image Corporation

Statement on Internal Control:

Date: March 1, 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year of 2023:

I. The Company's Board and management are responsible for establishing, implementing and maintaining a proper internal control system, and the Company has established the system. Its purpose is to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, and transparency of financial reporting, and the compliance with applicable laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes in environments and circumstances. Nevertheless, our internal control system contains self-monitoring mechanisms, and we take immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (the "Regulations") to determine whether or not the existing policies continue to be effective. The criteria adopted by the Regulations divided the internal control system into five key components based on the course of management control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring. Each component further includes several items. For the abovementioned items, please refer to the "Regulations."

IV. We have evaluated the design and operating effectiveness of our internal control system according to the aforementioned identified items for the internal control system.

V. Based on the evaluation results referred to above, the Company believes that the design and the implementation of its internal control system (including the supervision and management of subsidiaries) related to the level of achievements regarding the effectiveness and efficiency of our operations, reliability, timeliness, and transparency of financial reporting, and the compliance with applicable laws and regulations are effective as of December 31, 2023, and can reasonably assure the achievement of the abovementioned targets.

VI. The Statement will be an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. The Statement has been approved by the Board on March 13, 2024. Among the nine directors present, none of them has any objection, and all the others agree with the content of the Statement, which is hereby stated.

Data Image Corporation

Chairman: Huang Han-Chou

President: Yu Si-Ping

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(X) Regarding punishments imposed on the Company and its insiders according to the law or the punishments imposed on the Company and its insiders due to the violation of the requirements under the internal control system for the most recent year and up to the publication date of the annual report, if the punishment results may have material impact on shareholder's rights and interests or securities prices, the content of the punishment, major deficiencies, and improvements shall be specified: None.

(XI) Important resolutions of the shareholders' meeting and the Board in the most recent year and up to the publication date of the annual report:

1. Important resolutions of shareholders' meetings and their implementation

Date	Meeting	Content
2023.06.15	Annual shareholders' meeting	1. Approved the 2022 financial statements and business report Implementation status: The resolution was passed 2. Approved the 2022 earnings distribution Implementation status: It was resolved to distribute a cash dividend of NT$5 per share. July 11, 2023 is adopted as the ex-dividend date, and the cash dividend was distributed on August 10, 2023. 3. Approved the amendment to the "Rules of Procedure for Shareholders' Meetings" Implementation status: The resolution was passed, and the amended Articles of Incorporation became effect on June 15, 2023. 4. Approved the proposal for the amendment to the "Procedures for Acquisition or Disposal of Assets" Implementation status: The resolution was passed, and the amended "Procedure for Acquisition or Disposal of Assets" became effective on June 15, 2023. 5. Approved the proposal for the application for listing of the Company's shares Implementation status: The resolution was passed 6. Approved the proposal for requiring initial shareholders to fully waive the subscription of shares for the public underwriting of listing in response to the issuance of new shares under the capital increase in cash for the initial listing of the Company Implementation status: The resolution was passed 7. Approved the amendment to the "Articles of Incorporation" Implementation status: The resolution was passed, and the amended Articles of Incorporation became effect on June 15, 2023. 8. Approved the proposal for the release of the non-competition restrictions of current Directors and their representatives Implementation status: The resolution was passed

2. Important resolutions of the Board

Date	Meeting	Content
2023.03.03	The 1st Board meeting	1. Approved the report on the 2022 internal control system statement and the implementation results of the self-evaluation 2. Approved the proposal for the amendment to the “Internal Control System” and “Implementation Rules for Internal Audits” 3. Approved the proposal for the distribution of remuneration of employees and Directors for 2022 4. Approved the 2022 business report, financial statements and the 2023 business plan 5. Approved the proposal for 2022 earnings distribution 6. Approved the proposal for 2022 earnings distribution through the distribution of cash dividends 7. Approved the by-election of one Director 8. Approved the nomination of Director candidates 9. Approved the proposal for the release of the non-competition restrictions of current Directors and their representatives 10. Approved the proposal for the amendment to the “Rules of Procedure for Shareholders’ Meetings” 11. Approved the proposal for the amendment to the “Procedures for Acquisition or Disposal of Assets” 12. Approved the date and agenda of the 2023 annual shareholders’ meeting 13. Approved proposal for the contract renewal of bank limits 14. Approved the proposal for the donation to Benji Foundation 15. Approved the proposal for the CPAs fees for 2023 16. Approved the proposal for the formulation of the Company’s pre-approval non-assurance service policy 17. Approved the proposal for the distribution of the remuneration of the senior management for 2023 18. Approved the proposal for the recommended remuneration indicators of the senior management for 2023 19. Approved the proposal for the policy for bonus and salary adjustment of the senior management in 2023 20. Approved the proposal for the adjustment to the ratio of employee and Director remuneration distribution
2023.05.04	The 2nd Board meeting	1. Approved the proposal for the amendment to the “Internal Control System” and “Implementation Rules for Internal Audits” 2. Approved the proposal for the change in the Company’s CPAs and the appointment of CPAs for the 2023 financial statements 3. Approved the 2023 Q1 consolidated financial statements 4. Approved the proposal for the application for listing of shares 5. Approved the proposal for requiring initial shareholders to fully waive the subscription of shares for the public underwriting of listing in response to the issuance of new shares under the capital increase in cash for the initial listing 6. Approved the proposal for the amendment to the “Articles of

Date	Meeting	Content
		Incorporation" 7. Approved the proposal for additional agenda of the 2023 annual shareholders' meeting 8. Approved proposal for the contract renewal of bank limits 9. Approved the proposal for the amendment to the "Corporate Governance Best Practice Principles" 10. Approved the proposal for the amendment to the "Rules Governing Financial and Business Matters with Affiliates" 11. Approved the proposal for the amendment to the "accounting system" 12. Approved the proposal for the ratification of transactions between the Company and its affiliates
2023.07.06	The 3rd Board meeting	1. Approved the proposal for the Company's 2023 Q3 and Q4 financial forecast 2. Approved the proposal for engaging the underwriter to carry out overallotment during the underwriting period and the voluntary depository of specific shareholders 3. Approved the proposal for the establishment of the "Sustainable Development Best Practice Principles" 4. Approved the proposal for the establishment of the "Procedures for Application for Suspension and Resumption of Trading"
2023.08.01	The 4th Board meeting	1. Approved the proposal for the amendment to the "Internal Control System" and "Implementation Rules for Internal Audits" 2. Approved the "Statement on Internal Control" for the period from July 1, 2022 to June 30, 2023 3. Approved the 2023 Q2 consolidated financial statements 4. Approved proposal for the contract renewal of bank limits 5. Approved the amendment to the "Rules Governing Financial and Business Matters with Related Parties" 6. Approved the "Corporate Governance Self-Evaluation Report"
2023.09.18	The 5th Board meeting	1. Approved the proposal for the Company's 2023 Q4 and 2024 Q1 financial forecast
2023.11.03	The 6th Board meeting	1. Approved the proposal for the formulation of the 2024 internal audit plan 2. Approved the 2023 Q3 consolidated financial statements 3. Approved proposal for the contract renewal of bank limits 4. Approved the proposal for the endorsement/guarantee provided to the subsidiary Data Image (Suzhou) Corporation in which the Company holds 100% equity 5. Approved the proposal for the appointment of CPAs for the 2024 financial statements
2023.12.27	The 7th Board meeting	1. Approved the proposal for the public underwriting of new shares issued under the capital increase in cash before the initial listing 2. Approved the proposal for the amendment to the "internal control system"
2024.03.01	The 1st Board meeting	1. Approved the report on the 2023 internal control system statement and the implementation results of the self-evaluation

Date	Meeting	Content
		2. Approved the proposal for the distribution of remuneration of employees and Directors for 2023 3. Approved the 2023 financial statements, business report and the 2024 business plan 4. Approved the proposal for 2023 earnings distribution 5. Approved the proposal for 2023 earnings distribution through the distribution of cash dividends 6. Approved the re-election of nine Directors (including three Independent Directors) 7. Approved the nomination of Director and Independent Director candidates 8. Approved the proposal for the release of the non-competition restrictions of new Directors and their representatives 9. Approved the date and agenda of the 2024 annual shareholders' meeting 10. Approved proposal for the contract renewal of bank limits 11. Approved the proposal for the CPAs fees for 2024 12. Approved the proposal for the distribution of the remuneration of the senior management for 2024 13. Approved the proposal for the recommended remuneration indicators of the senior management for 2024 14. Approved the proposal for the policy for bonus and salary adjustment of the senior management in 2024 15. Approved the proposal for share subscriptions of managers and employees under the capital increase in cash before the initial listing in 2024 16. Approved the proposal for the employee stock ownership trust 17. Approved the establishment of the "Risk Management Policy and Procedures"

(XI) Where, during the most recent year and up to the publication date of the annual report, a Director or supervisor has expressed a dissenting opinion with respect to a material resolution approved by the Board with records or written statements, disclose the principal content thereof: None.

(XIII) A summary of resignations and dismissals of the Company's Chairman, President, chief accountant, chief of finance, chief internal auditor, corporate governance officer, and chief of R&D in the most recent year and up to the publication date of the annual report: None.

V. Audit fees of CPAs

(I) Audit fees of CPAs

Unit: NT$ thousand

Name of CPA's firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Vivian Yeh	2023/1-2023/12	2,160	2,413	4,573	Tax certification, transfer pricing, financial statements and taxation certification, IPO internal control project review, payments in advance, and alteration registration of the by-election of a Director
	Eddie Shao	2023/1-2023/12				

(II) The following shall be disclosed in case of any occurrence of the following circumstances:

1. When the Company changes its CPA's firm and the audit fees paid for the year in which such change took place are lower than those for the preceding year, the amount of the audit fees before and after the change and the reasons shall be disclosed: None.
2. When the audit fees paid for the current year are lower than those for the preceding year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reasons shall be disclosed: None.

VI. Information on the replacement of CPAs

The Company shall disclose the following if it has replaced its CPA in the most recent two years and thereafter:

(I) Former CPAs

<table>
<tr><td>Replacement date</td><td colspan="3">Approved by the Board on May 4, 2023</td></tr>
<tr><td>Replacement reason and description</td><td colspan="3">In response to the internal job rotation of the CPA firm, the CPAs were changed from CPAs Vivian Yeh and Toh Ming-Hsin to CPAs Vivian Yeh and Eddie Shao.</td></tr>
<tr><td rowspan="3">Specify whether the consignor terminates or the CPA refuses to accept the appointment</td><td>Parties involved
Circumstances</td><td>CPA</td><td>Consignor</td></tr>
<tr><td>Active termination of the appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Refuse to accept (continue) the appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinions other than unqualified opinions for the audit of reports in the most recent two years and reasons</td><td colspan="3">None.</td></tr>
<tr><td>Whether there is any opinion different from the issuer</td><td colspan="3">None.</td></tr>
<tr><td>Other disclosures (disclosures under item 1-4 to item 1-7, subparagraph 6, Article 10 of the Standards)</td><td colspan="3">None.</td></tr>
</table>

(II) Succession CPAs

Name of CPA’s firm	Deloitte Taiwan
Name of CPA	CPA Vivian Yeh and CPA Eddie Shao
Date of appointment	May 4, 2023
Consultation of accounting treatments or accounting principles for particular transactions and possible opinions to be issued for the financial statements before the appointment and results	None.
Written opinions for matters that the succession CPAs have different from the opinions of the former CPAs	None.

(III) Response letter of former CPAs regarding matters in item 1 and item 2-3, subparagraph 6, Article 10 of the Regulations: Not applicable.

VII. Where the Company’s Chairman, President, or any manager in charge of finance or accounting matters has held a position at the CPA’s firm of its CPAs or at an affiliate of the CPA’s firm in the most recent year: None.

VIII. The transfer of equity and changes in equity pledges of Directors, supervisors, managers, and shareholders with a shareholding of 10% and above in the most recent year and up to the publication date of the annual report

(I) Changes in equity of Directors, managers, and major shareholders:

Unit: share

Title	Name	2023		As of March 30, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman and major shareholder	Qisda Corporation Representative: Huang Han-Chou	-	-	-	-
Vice Chairman and President	Yu Si-Ping	-	-	10,000	-
Chairman and major shareholder	Qisda Corporation Representative: Xue Dao-Long	-	-	-	-
Chairman and major shareholder	Qisda Corporation Representative: Hong Chiu-Jin	-	-	-	-
Chairman and major shareholder	Qisda Corporation Representative: Li Zi-Pei	-	-	13,000	-
Director (Note)	Deng Fu-Ji	15,000	-	-	-
Independent Director	Yeh Hui-Xin	-	-	-	-
Independent Director	Ma Xiao-Kang	-	-	-	-
Independent Director	He Wen-Xian	-	-	-	-
Vice President and Director of Manufacturing Center	Chan Wei-Hsiang	-	-	33,000	-
Vice President	Huang Chao-Wei	-	-	35,000	-
Director of the Finance Division	Yan Cheng-Chin	-	-	16,000	-
Assistant Vice President	Gao Chih-Min	-	-	30,000	-

Note: Deng Fu-Ji was elected as the representative of Qisda, a Director of the Company, at the annual shareholders' meeting on August 24, 2021. Qisda resigned as the corporate Director on February 23, 2023, and Deng Fu-Ji was elected in the capacity of a natural person as the Director of the Company at the annual shareholders' meeting on June 15, 2023.

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

(III) Information on the counterparty of the equity pledge who is a related party: None.

IX. Information on shareholders with the top ten shareholdings who are related parties, spouses, or relatives within the second degree of kinship

March 30, 2024; unit: share

Name	Shares held by the shareholder		Shares held by spouse and minors		Total shares held in the name of others		The titles or names and relationships of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Title (or name)	Relationship	
Qisda Corporation	20,000,000	25.61%	–	–	–	–	Darly Venture Inc. Darly2 Venture, lnc.	Subsidiary Subsidiary	
Qisda Corporation Representative: Huang Han-Chou	–	–	–	–	1,000,000	1.28%	–	–	
Deng Fu-Ji	4,041,366	5.17%	–	–	1,507,462	1.93%	Future Technology Consulting, Inc.	Deng Fu-Ji is the chairman of the company	
Yu Si-Ping	3,817,516	4.90%	–	–	–	–	–	–	
Dali Investment Co., Ltd.	3,607,305	4.62%	–	–	–	–	Qisda Corporation Darly2 Venture, lnc.	Parent company Sister company	
Dali Investment Co., Ltd. Representative: Hong Chiu-Jin	–	–	–	–	–	–	–	–	
Darly2 Venture, lnc.	3,005,000	3.85%	–	–	–	–	Qisda Corporation Darly Venture Inc.	Parent company Sister company	
Darly2 Venture, lnc. Representative: Hong Chiu-Jin	–	–	–	–	–	–	–	–	
Lin Jin-yuan	2,467,000	3.15%	–	–	–	–	–	–	
Hsu Hsien-Sheng	1,899,648	2.43%	–	–	–	–	–	–	
Wei Xiao-Ching	1,565,991	2.03%	–	–	–	–	Wei Hung-Yen	Relatives within the second degree of kinship	
Future Technology Consulting Inc.	1,507,462	1.93%	–	–	–	–	Deng Fu-Ji	THE COMPANY CHAIRMAN	
Wei Hung-Yen	1,330,000	1.73%	–	–	–	–	Wei Xiao-Ching	RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP	

X. The total number of shares and the consolidated shareholding held in any single investee by the Company, its Directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company:

December 31, 2023; unit: thousand shares

Investee (Note)	Investments of the Company		Investments of Directors, supervisors, managers, and		Consolidated investment	
	Number	Shareholdi	Number of	Shareholding	Numbe	Shareholdi
DIVA Laboratories, Ltd.	20,856	35.55%	-	-	20,856	35.55%
Data Image (MAURITIUS) Corporation	20,215	100.00%	-	-	20,215	100.00%
DMC Components International, LLC.	300	30.00%	-	-	300	30.00%

Note: Refer to investment accounted for using the equity method.

Four. Fundraising

I. Capital and shares

(I) Sources of share capital

1. Types of shares

Unit: share

Type of shares	Authorized capital			Remarks
	Outstanding shares	Unissued share capital	Total	
Ordinary share	78,099,649	121,900,351	200,000,000	Listed shares of the Company

2. The formation of share capital

Unit: thousand shares; NT$ thousand

Year/ month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Property other than cash as share payment offset	Others
1997.11	10	9,900	99,000	9,900	99,000	Initial investment for the establishment of the Company	None.	
1998.06	10	19,000	199,000	19,900	199,000	Capital increase in cash of NT$100,000 thousand	None.	Jing-(87)-Shang-Zi No. 115681 dated June 26, 1998
2001.09	10	20,895	208,950	20,895	208,950	Capital increase from earnings of NT$9,950 thousand	None.	Jing-(90)-Shang-Zi No. 09001385380 dated 2001.09.28
2002.06	15	40,000	400,000	30,000	300,000	Capital increase from earnings of NT$25,000 thousand and capital increase in cash of NT$66,050 thousand	None.	Jing-Shou-Shang-Zi No. 09101244600 dated July 9, 2002
2003.03	15	40,000	400,000	36,000	360,000	Capital increase in cash of NT$60,000 thousand	None.	Jing-Shou-Shang-Zi No. 09201084930 dated March 25, 2003
2004.12	12.3	65,400	654,000	42,000	420,000	Capital increase in cash of NT$60,000 thousand	None.	Fu-Jian-Shang-Zi No. 09326518800 dated December 23, 2004
2005.08	10	65,400	654,000	43,093	430,933	Capital increase from earnings of NT$10,933 thousand	None.	Fu-Jian-Shang-Zi No. 09418570700 dated September 26, 2005
2006.09	10	65,400	654,000	44,110	441,105	Capital increase from earnings of NT$10,172 thousand	None.	Fu-Jian-Shang-Zi No. 09583423800 dated September 19, 2006
2007.09	10	65,400	654,000	48,365	483,647	Capital increase from earnings of NT$42,542 thousand	None.	Fu-Jian-Shang-Zi No. 09689099300 dated September 7, 2007
2007.10	20	65,400	654,000	54,365	543,647	Capital increase in cash of NT$60,000 thousand	None.	Jing-Shou-Shang-Zi No. 09601257560 dated October 22, 2007
2008.06	20	65,400	654,000	56,365	563,647	Private placement of ordinary shares of NT$20,000 thousand	None.	Jing-Shou-Shang-Zi No. 09701194700 dated August 5, 2008
2008.10	10	65,400	654,000	63,217	632,171	Capital increase from earnings of NT$68,524 thousand	None.	Jing-Shou-Shang-Zi No. 09701282080 dated November 5, 2008
2009.07	10	120,000	1,200,000	63,217	632,171	Additional authorized capital	None.	Jing-Shou-Shang-Zi No. 09801162200 dated July 22, 2009
2015.07	10	120,000	1,200,000	49,400	493,996	Capital reduction of NT$138,175 thousand for loss compensation	None.	Xin-Bei-Fu-Jing-Si-Zi No. 1045172707 dated August 14, 2015
2018.11	13	120,000	1,200,000	69,400	693,996	Private placement of ordinary shares of NT$200,000 thousand	None.	Jing-Shou-Shang-Zi No. 10701152020 dated December 18, 2018
2024.04	50	200,000	2,000,000	78,100	7890,996	Capital increase in cash of NT$87,000 thousand	None.	Jing-Shou-Shang-Zi No. 11330054160 dated April 8, 2024

(II) Shareholder structure

March 30, 2024; unit: share

Shareholder structure / Quantity	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of persons	-	-	22	3,147	14	3,183
Number of shares	-	-	31,868,957	45,038,470	1,192,222	78,099,649
Shareholding ratio	0.00%	0.00%	40.81%	57.67%	1.52%	100.00%

(III) Equity distribution

March 30, 2024; unit: share

Shareholding	Number of	Number of shares	Shareholding ratio
1 ～ 999	369	85,075	0.11%
1,000 ～ 5,000	2,291	3,674,060	4.71%
5,001 ～ 10,000	186	1,484,621	1.90%
10,001 ～ 15,000	81	1,020,788	1.31%
15,001 ～ 20,000	50	930,749	1.19%
20,000 ～ 30,000	43	1,102,781	1.41%
30,001 ～ 40,000	22	763,158	0.98%
40,001 ～ 50,000	24	1,115,842	1.43%
50,001 ～ 100,000	47	3,312,674	4.24%
100,001 ～ 200,000	24	3,680,147	4.71%
200,001 ～ 400,000	17	4,964,596	6.36%
400,001 ～ 600,000	10	4,734,549	6.06%
600,001 ～ 800,000	4	2,797,421	3.58%
800,001 ～ 1,000,000	3	2,829,808	3.62%
Over 1,000,001	12	45,603,290	58.39%
Total	3,183	78,099,649	100.00%

(IV) List of major shareholders: shareholders with 5% shareholding or above or shareholders with top ten shareholdings.

March 30, 2024; unit: share

Share / Name of major shareholder	Number of shares held	Shareholding ratio
Qisda Corporation	20,000,000	25.61%
Deng Fu-Ji	4,041,366	5.17%
Yu Si-Ping	3,827,516	4.90%
Dali Investment Co., Ltd.	3,607,305	4.62%
Darly2 Venture, lnc.	3,005,000	3.85%
Lin Jin-yuan	2,464,000	3.15%
Hsu Hsien-Sheng	1,899,648	2.43%
Wei Xiao-Ching	1,584,141	2.03%
Wei Hung-Yen	1,507,462	1.93%
Huang Shu-Chin	1,354,000	1.73%

(V) Market price, net worth, earnings, and dividends per share in the most recent two years

Unit: thousand shares; NT$

Item \ Year			2022	2023	As of March 30, 2024 (Note 6)
Market price per share (Note 1)	The highest		Unlisted	Unlisted	65.80
	Lowest		Unlisted	Unlisted	61.50
	Average		Unlisted	Unlisted	63.53
Net worth per share (Note 2)	Before distribution		22.45	21.38	—
	After distribution		17.45	17.38	—
Earnings per share	Weighted average number of shares		69,400	69,400	—
	Earnings per share	Before adjustment	6.08	4.02	—
		After adjustment	6.08	4.02	—
Dividends per share	Cash dividends		5.00	4.00	—
	Share grants	Share dividend from earnings	—	Undistributed	—
		Share dividends from capital reserve	—	Undistributed	—
	Accumulated unpaid dividends		—	—	—
Analysis of investment return	Price-to-earnings ratio (Note 3)		Unlisted	Unlisted	—
	Price-to-dividend ratio (Note 4)		Unlisted	Unlisted	—
	Cash dividend yield (Note 5)		Unlisted	Unlisted	—

Note 1: Listed the highest and lowest market prices of ordinary shares on March 30, 204 and calculated the average market price of each year based on the transaction value and volume on March 30, 2024.

Note 2: Based on the number of issued shares at the end of the year and completed in accordance with the distribution resolved by the Board in the following year.

Note 3: Price-to-earnings ratio = average closing price for the year / earnings per share.

Note 4: Price-to-dividend ratio = average closing price for the year / cash dividends per share.

Note 5: Cash dividends yield = cash dividends per share / average closing price for the year.

Note 6: For net worth per share and earnings per share, data in the latest quarter that is audited (reviewed) by CPAs as of the publication date of the annual report shall be used; for the remaining columns, the current data as of the publication date of the annual report shall be used

(VI) The Company’s dividend policy and implementation

1. Dividend policy stipulated in the Articles of Incorporation

If there is a profit in the final accounting, the Company shall pay tax and make up past losses, and then appropriate 10% as the legal reserve. However, when the legal reserve amounts to the Company’s paid-in capital, the appropriation is not required. For the remaining, it shall appropriate or reverse the special reserve according to laws and regulations. If there is any remaining balance, the Board shall prepare a proposal for the distribution of the earnings, together with the accumulated undistributed earnings, and submit it to the shareholders’ meeting for resolution on the distribution of dividends to shareholders. The Company’s dividend policy complies with the current and future development plans, taking investment environments, capital requirements, and domestic/foreign competition status into account, and considers shareholders' interest and other factors. For the distribution of shareholders' dividends or bonuses, if there are earnings from the annual final account and the distributable earnings of the year reach 2% of its capital, the distribution shall be no less than 10% of the distributable earnings of the year, which may be distributed in cash or stocks, in which cash dividends shall be no less than 10% of the total dividend. If the aforementioned proposal for earning distribution is made in the form of cash dividends, the board of directors is authorized to resolve and report to the shareholders' meeting.

2. Distribution of dividends to be proposed at the shareholders' meeting

For the proposal for 2023 earnings distribution, the Board resolved on March 1, 2024 to distribute a shareholders' cash bonus of NT$277,598,596, with a distribution of cash dividend of NT$4.00 per share. After the approval, it will be announced on MOPS and be reported at the 2024 annual shareholders' meeting.

(VII) Effects of the intended share grants on the operating performance and earnings per share of the Company

The Company has no plan to perform any share grants for the year year; therefore, there is no impact.

(VIII) Remuneration of employees, Directors and supervisors

1. The percentages and ranges with respect to the remuneration of employees, Directors, and supervisors, as set forth in the Articles of Incorporation:

If the Company records profit of the year, it shall distribute 5% to 20% as the remuneration of employees and distribute no more than 1% as the remuneration of directors. However, if the Company has cumulative losses, it shall make up such losses.

The counterparties for the distribution of stocks or cash may include employees of subordinated companies who fulfill certain conditions; the board of directors is authorized to determine the conditions and distribution method.

2. Accounting treatment when there is a difference between the basis for estimating the amount of remuneration of employees, Director, and supervisor, the basis for calculating the number of shares of remuneration of employees distributed in shares, the distributed amount, and the estimated amount

The Company's estimated amount of remuneration of employees and Directors is based on the net profit before tax of the period and the percentages specified in the Articles of Association and is recognized as salary expenses. If there is any difference between the actual distribution amount resolved by the shareholders' meeting and the estimated amount, it will be treated as a change in accounting estimates of the year.

3. The distribution of remuneration approved by the Board of Directors:

(1) Employees' remuneration and Directors' and supervisors' remuneration distributed in cash or shares. If there is any difference with the estimated amount of the year in which the expenses were recognized, the difference, cause, and measures adopted shall be disclosed

On March 1, 2024, the Board approved the distribution of employees' remuneration and Directors' remuneration for 2023. 8% of the profits shall be distributed in cash as the employees' remuneration in the amount of NT$28,856,236, and 0.75% of the profits shall be distributed in cash as the Directors' remuneration in the amount of NT$2,705,272. The remuneration of employees and Directors is distributed in cash, and the amount has no difference from the estimates of employees' remuneration and Directors' remuneration recognized in the financial statements approved by the Board.

(2) Ratio the remuneration of employees distributed in shares to the sum of net profit after tax and total remuneration of employees of the period

The Company has not distributed employees' remuneration in shares; therefore, this is not applicable.

4. The actual distribution of remuneration of employees, Directors, and supervisors in the previous year (including the number of shares distributed, amount, and stock price) and the difference from the recognized remuneration of employees, Directors, and supervisors, the amount, reason, and measures adopted shall be specified:

On March 3, 2023, the Board resolved to distribute the 2022 remuneration of employees and remuneration of Directors in the amount of NT$38,482,297 and NT$4,123,103, respectively. The remuneration of employees and Directors is distributed in cash, and the amount has no difference from the estimates.

(IX) Shares repurchased by the Company: None.

II. Issuance of corporate bonds: None.

III. Preferred shares: None.

IV. GDR: None.

V. Employee stock option certificates: None.

VI. RSA: None.

VII. M&A or transfer of shares of other companies and issuance of new shares: None.

VIII. Implementation of the capital utilization plan: None.

Five. Business Overview

I. Scope of business

(I) Scope of business

1. The Company's main scope of business

The Company is engaged in the design, manufacture and sales of touch LCD modules and LCD modules. The main application fields of the Company's products are ECDIS, industrial control displays, special vehicle displays and medical displays.

2. Business proportion

Unit: NT$ thousand; %

By product \ Year	2023	
	Net operating income	Percentage (%)
LCD touch module	2,490,629	63.60
LCD module	506,311	12.93
Medical and industrial displays	604,781	15.44
Others (Note)	314,524	8.03
Total	3,916,245	100.00

Note: Others include foundry and sale of raw materials, semi-finished products, parts and components, commodities, molds, and samples.

3. The Company's current products (services)

The Company designs and develops various customized touch LCD modules and LCD modules according to the needs of customers. It provides LCD modules with various special requirements, including different sizes, specifications, high brightness, high contrast, high hardness, scratch-proof surface processing, waterproof, dust-proof, shock resistant, anti-reflection, anti-corrosion, wide temperature, and wide viewing angle) and in different application fields, mainly used in the vessel, industrial control, special vehicle and medical fields.

4. The Company's current products (services)

(1) Refinement of the optical lamination process.

(2) Whole machine system solutions.

(3) HMI for charging poles.

(4) Gamma automatic image calibration displays.

(5) All-in-one displays with combined monitor and main frame.

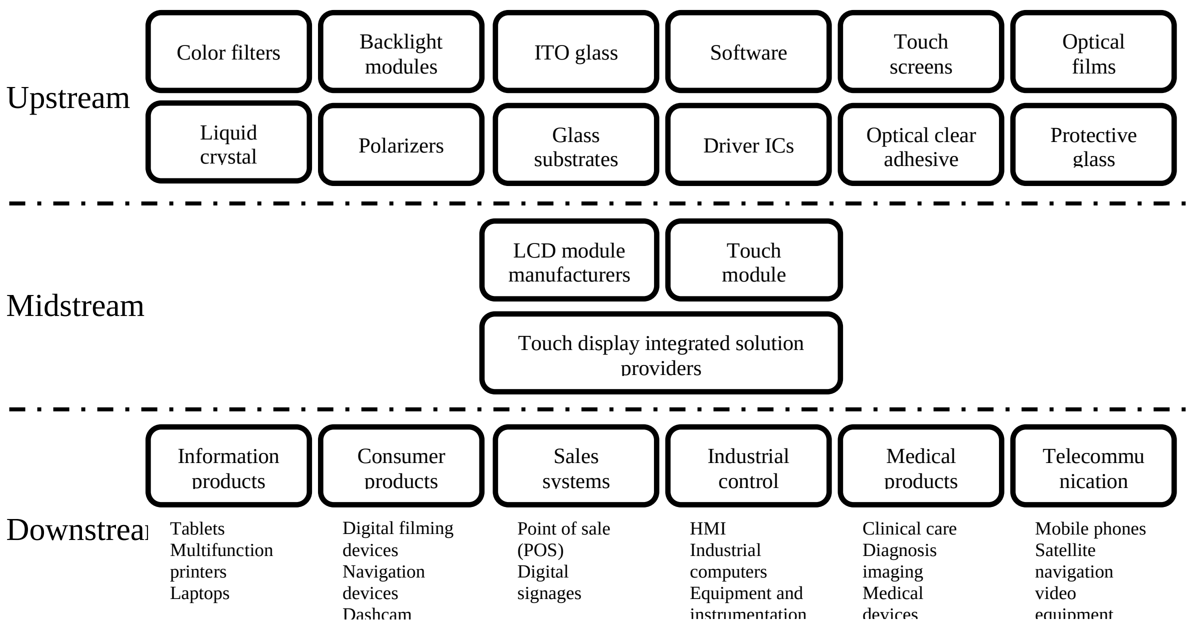
(II) Industry overview

1. Industry status and development

With the evolution of display technologies, global display panel products include large-size thin film transistor LCD (TFT-LCD) panels, small and medium-size TFT-LCD panels, organic light emitting diode (OLED) panels, ePapers, TN/STN-LCD panels, microdisplay and other panels. As the TFT-LCD panel is light, thin, power-saving, high-quality, low-voltage, and low-radiation, it is the mainstream technology in the global display market at present, possessing favorable mass production capacity and cost advantages and has been widely used in various display equipment. Followed by OLED display technology with self-light emitting, better display quality, and fast response time. Although its manufacturing cost is higher than LCD, with the improvement in technical and production capacity, its penetration rate in the high-end consumer product market has been increasing.

Due to the fierce competition in the large-size TFT-LCD panel market and the huge capital expenditures required, the market is majorly controlled by major domestic and foreign panel manufacturers. Most of the small- and medium-size TFT-LCD panel manufacturers in Taiwan have transformed or adjusted their product portfolios, and there is a wide range of applications. The major applications of the products are automotive displays, professional multi-function displays, POS systems, medical displays, Industry 4.0 and IoT displays. As the irreversible digital development trends (i.e., 5G communications, AI, and logistics applications) continue to evolve, countries have been developing new applications by using smart display technologies, including applications in smart stores and smart retail with logistics and hybrid integration, with a focus on smart commercial transportation vehicles, transportation station information services, and the e-mobility of public transportation information systems. The technologies are used in smart hospitals, smart long-term care, telecare, home-based healthcare, self-managed smart healthcare, play smart sensory systems, e-sports venues, electronic whiteboards, interactive billboards, and other cross-domain system integration solutions. The new technologies, new applications, and new business models inject new market opportunities into the display industry, and the development continues to move toward system integration, allowing continuous growth in the scale of the overall market.

2. Correlations between upstream, midstream and downstream of the industry



3. Product development trends and competition status

(1) Development trends of products

With the rapid development of display technology, coupled with the popularization and application of 5G, IoT and AI technologies, the business opportunities for the application of display products are growing and expanding to retail, mobile, medical, and entertainment fields, driving the continuous growth of the ratio of operating income from the products in the niche display market. Apart from engaging in module design and manufacturing, companies also turned to cross-field integration to provide the whole machine business and system solutions so as to improve the added value of products and enhance market competitiveness. In terms of display technology, TFT-LCD is currently the mainstream display panel technology and is widely used in various display products, followed by OLED display technology. OLED is the next generation display technology after LCD. Unlike LCD, which relies on backlight modules, OLED is self-light emitting and has the characteristics of high quality, wide color gamut, high contrast and low power consumption, but with a higher cost. As the process technology matures, the production cost is reduced, and OLED is now widely applied in small- and medium-size consumer products. As display technology continues to evolve, new display technologies, mini/micro LED, are emerging. Mini LED is an improved version of LCD panel backlight technology and is regarded as a technology in the transition stage from LED display technology to micro LED. Mini LED is smaller and has better performance in quality, brightness, and contrast as compared to LCD, and has better power-saving performance, longer useful lives, and lower cost as compared to OLED. Currently, it is mainly used in TVs, mobile phones, tablets, and automotive displays. Micro LED is regarded as the ultimate display technology, and LED miniaturization has the characteristics of long useful life, high resolution, high brightness, wide color gamut and lower power consumption. Due to the high technical threshold, it is mainly used in high-end display products. At present, due to the high cost of mini/micro LED and the reliability less favorable than TFT-LCD, it is hoped that the production cost may be reduced and the reliability and yield of products may be improved through the improvement in technologies so as to explore new product businesses and provide new drivers for the growth in operating income.

(2) Product competition

The Company is a midstream display module integrated solution provider in the flat panel display industry, engaging in the R&D, manufacturing and sales of touch LCD module and LCD module products. The products have the features of small volume, large variety, and customization and have wide application fields, mainly used in the vessel, industrial control, special vehicle, medical device, and other non-consumer markets. The rugged and weather-resistant outdoor display modules are the Company’s competitive advantages, which segregate its market from peers and form competitive advantages. Peers with similar product types and production processes that are listed on TWSE (TPEx) include Emerging Display, Giantplus Technology, and United Radiant Technology. However, the application fields of each company’s products are different. With years of experience in R&D and manufacturing processes in the field of control displays, the Company has accumulated years of experience in R&D and process in the field of marine and outdoor industrial control displays. The Company’s products possess the rugged features of weather-resistant and high reliability when placed in outdoor environments, which secures certain competitive advantages in the display market.

(III) Technology and R&D overview

1. R&D expenses in the most recent year and up to the publication date of the annual report

Unit: NT$ thousand

Year / Item	2023	As of March 30, 2024
R&D expenses	191,557	49,073
Net operating income	3,916,245	861,386
As a percentage of net	4.89%	5.70%

2. Successfully developed technologies or products

Year	Technology or product
2018	4.21-inch circular outdoor automotive dashboard display module with high weather resistance and high brightness
2019	DJO 7-inch FDA level II musculoskeletal disease rehabilitation equipment display module
	Golf cart control display module
	US Ford Police Interceptor front central control 12-inch display module
2020	2-inch high-brightness outdoor electronically power-assisted cycle dashboard display module
	3.5-inch curved sphere round display module
	3-inch circular display module for motorcycle dashboard
2021	7-inch special vehicle standard display module
	12.3-inch marine V-shaped curved dual-screen display module
	43-inch KIOSK display module
2022	15-, 29-, and 58-inch special vehicle ultra-wide display modules
	15-inch V-shaped curve dual-screen display module
	12.1-inch floating touch module
	15.6-inch touch display module for outdoor charging poles
2023	Obsidian black panel design
	Gesture recognition

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

1. Short-term development plan

(1) Strengthen relationships with customers and expand the scope of cooperation.

(2) Actively expand the design and development of capacitive touch panel modules and guide customers to transform their products to increase the added value of products.

(3) Continue the design and development of special vehicle displays, ECDIS and medical displays and improve the design of weather-resistant products and the introduction of new materials to improve product competitiveness.

(4) Strengthen the coordination of production and marketing, increase the flexibility of production capacity allocation, and reduce production costs to improve competitive advantages.

2. Long-term development plan

The Company is an outdoor weather-resistant rugged display solution provider. Its end products are mainly used in four major fields: vessel, industrial control, special vehicle, and medication. The Company has been deeply involved in the vessel and outdoor industrial control fields for years, occupying a leading position for vessel applications among its peers. Also, it has accumulated years of experience in the design and production of customized industrial control and automotive panels. Design, material selection, production, and quality control are all our competitive advantages. The direction of development in the future will be turning from the current display solution provider to providing customers with comprehensive system solutions. In addition to making products that differentiate from the market, the Company will also seek strategic alliances with complementary companies within the industry to develop a wide range of applications and diversified product development through technical cooperation.

II. Overview of the market and production and marketing

(I) Market analysis

1. Sales (provision) regions of major products (services)

Unit: NT$ thousand

Sales region \ Year		2022 Amount	2022 Percentage	2023 Amount	2023 Percentage
Domestic sales		540,419	10.98%	389,762	9.95%
Export sales	Asia	1,411,144	28.67%	1,052,122	26.87%
	America	1,689,415	34.33%	1,546,541	39.49%
	Europe	1,267,302	25.75%	926,398	23.65%
	Others	13,418	0.27%	1,422	0.04%
	Subtotal	4,381,279	89.02%	3,526,483	90.05%
Total		4,921,698	100.00%	3,916,245	100.00%

2. Market share

The Company has been focusing on the marine and outdoor industrial control fields for years, and has developed multi-function touch display technology in the harsh outdoor environment. Its products have the features of small volume and a large variety of applications and are used in vessel, industrial control, special vehicle, and medical fields. Depending on customers' requirements, we provide ODMs with customized overall services and lead the industry in terms of sales volume and value. TFT-LCD panels are mainly used in consumer products. The Company's products are mainly used in outdoor or other application fields of special industries and have occupied a place in the domestic and foreign special application display markets. In the future, the Company and its subsidiaries will continue to improve their technical capabilities and explore the application market; the market share is expected to maintain steady growth in the future.

3. Future supply, demand and growth of the market

In recent years, with the limited additional TFT-LCD production capacity worldwide, it is favorable for the stable supply and demand structure of the panel industry. However, the competition in the panel module industry remains fierce. Many small- and medium-sized panel module manufacturers have changed their business strategies. In addition to a high customization level and continuous improvements in the resolution, we will further promote lighter, thinner, ultra-narrow bezel and power-saving product specifications. Meanwhile, the Company adopts the embedded integrated touch technologies to optimize product competitiveness and provide integrated services of high-performance, ultra-light and thin touch LCD modules, reinforcing the flexibility of product designs and the advantages of timeliness entry to the market. Therefore, in terms of supply, customized designs and production will make the supply of the LCD display module industry change subject to new application fields and customer requirements apart from partial standard product markets.

Since 2020, the world has been affected by COVID-19.With the rise of home working and remote learning, the demand for end consumer products (i.e., TVs, notebooks, tablets, and LCD monitors) has surged. As the pandemic slowed down in the second half of 2021, the impact of the stay-at-home economy decreased, and the orders and demand for relevant products decreased. Furthermore, under the severe inflation and the interest rate increase policies rolled out in different countries in the second half of 2022, the demand for consumer products remained sluggish. End companies continued destocking; nonetheless, automotive, industrial, medical, smart home and other niche demands have not declined due to market changes. COVID-19 has changed people's lifestyles and accelerated the global digital development. The adoption of 5G and AI technologies has urged enterprises to diversify their product portfolios, which in turn drives up the demand for niche products.

4. Competitive niche

(1) Professional management team

The Company's management team includes outstanding talents in mechanical engineering, electronics, international trade, and management. All team members have more than 15 to 25 years of experience in the LCD field. They can grasp the pulse of market demand and continue to invest resources in the R&D of products and display technology and introduce new production technologies. Based on customers' application fields and needs, we provide diverse options and customized product solutions for customers, and the sales team with extensive experience will expand product marketing worldwide.

(2) Ability to design customized products

The Company has a professional R&D team with extensive experience, and R&D executives have years of practical experience in relevant industries. By adopting the provision of products with a high cost–performance ratio to customers as the target, we can rapidly evaluate the appropriate specifications of the products and select appropriate raw materials based on the customers' requirements to provide reliable LCD module integrated solutions suitable for customers' demand. The period from product design to sample development generally requires eight to 12 months, and we can better assist customers in product project inauguration, mass production, and rapid launching as compared to peers. For many years, the Company has been deeply involved in the R&D of marine and outdoor industrial control application products. The products have favorable outdoor visibility and are high temperature resistant, low temperature resistant, waterproof, dustproof, anti-fogging, explosion-proof, anti-corrosion, anti-electromagnetic interference, UV-proof, shock resistant, shockproof, and rugged. In addition, the Company's products can be combined with the R&D technology and experience of its subsidiaries in the field of medical displays to enter the whole machine system integration market and further enhance the added value of the products.

(3) Comprehensive process technology that can provide one-stop professional services

With diverse panel value-added design solutions integrating optical optimization technology (i.e., optical lamination, brightness enhancement, and anti-reflection), wide viewing angle technology, and touch technology, the Company provides comprehensive display module process services to meet the diversified requirements of customers in different specifications and optimize product competitiveness. It has also established long-term healthy supply relationships with upstream suppliers to provide one-stop professional services with various sizes and optical technology applications to customers and ensure the stability of product quality and the high efficiency of subsequent supply.

5. Favorable and unfavorable factors of development prospects and countermeasures

(1) Favorable factors

A. The market demand continues to increase

With the popularization and development of 5G, IoT, and AI technologies and the wave of industrial digitalization, the application scope of LCD modules in the industry has been expanding, which in turn gave rise to the growth in demand for vessel, industrial control product, special vehicle, medical, and other special markets. The Company is a manufacturer that engages in the design, manufacturing, and sales of customized LCD modules. With professional R&D capabilities and years of manufacturing experience, the Company provides customers with customized high-quality products differentiated from the market. Through exploring new product businesses and business collaboration with affiliates or other enterprises, the Company improves the added value of products and the growth in operating income in the future.

B. Long-term cumulative R&D and technical capacity

As we have long been committed to the development of marine, industrial control, and other outdoor weather-resistant application products, customers value the requirements for product quality. The management team has accumulated extensive experience in the LCD industry. We carry out product development according to customers' requirements and possess extensive experience and professional standards for R&D design, raw material selection, sample pilot production, production, and quality management that can rapidly satisfy customers' requirements. Meanwhile, we keep abreast of the market trends at all times and continue to invest in the R&D of new products and display technologies, which gained the recognition of customers.

C. Comprehensive upstream supply chain

The development of LCD panels and its relevant key parts and components industries in Taiwan is relatively mature, and the technologies and production capacity have always maintained their leading position in the global market. In addition, large-scale panel manufacturers have been increasing the production capacity of small- and medium-size panels; therefore, the panel supply is relatively more sufficient as compared to the past.

The Company has established long-term healthy supply relationships with raw material suppliers, and it has two suppliers or more for upstream key materials to ensure the supply, which is beneficial for the Company to grasp supply sources and reasonable prices and avoid the risk of short supply.

(2) Unfavorable factors and countermeasures

A. Intense market competition and rapid product change

Due to the fierce market competition and rapid product generation change, professional small- and medium-size display manufacturers shall keep abreast of market changes and customer needs at all times in order to propose new products in a timely manner. The outdoor rugged display industry continues to roll out new technologies, and the specifications, performance, and functions of the products are constantly advanced and changed. It is necessary to continue to invest capital and labor costs in the R&D of products and technologies. If the product that meets the market demand cannot be launched in a timely manner, the Company's future competitiveness and operation will be significantly affected.

Countermeasures:

(A) The Company's management team has been engaging in the LCD panel industry for years, developing marine and outdoor industrial control applications, focusing on rugged weather-resistant displays, and verifying its multi-functional display technology in harsh outdoor environments. Facing potential challenges in harsh environments (including sunlight reflection, extreme temperature changes, corrosive salt water, dust particles, and vibration/impact), our panel display technologies operate stably. Outdoor rugged weather-resistant display modules are the competitive advantages of the Company, which segregates its market with peers and forms competitive advantages.

(B) The Company understands the needs of customers through project discussions with customers or unscheduled visits, and it actively participates in international seminars, conferences, exhibitions and other diversified events to explore business cooperation opportunities and inquire about market trends to keep abreast of the industry changes and market fluctuations at all times. Based on the Company's customized development capabilities, cross-department discussions between product management, sales, procurement, and R&D are performed to determine the development direction, specifications, materials, and estimated costs of new products and technologies, and we maintain our competitive advantages in the market through customers' feedback. Continue to invest in the R&D of new products and technologies to meet customers' requirements and to highlight the Company's technological advantages and competitive advantages compared with peers. The company closely interacts with customers from new product development, product delivery time and quality requirements to provide products that best meet customer needs. In addition, part of the production process is automated to reduce costs and improve competitive advantages with industry peers.

B. Difficulties in recruiting professional talents

The outdoor rugged display solution design and manufacturing industry has transformed into a high-tech knowledge industry. With the continuous development of technology, the product R&D team is required to concurrently possess in-depth and extensive professional knowledge in order to flexibly adjust product designs to meet customer needs. Therefore, the Company requires professional personnel with certain practical experiences. There are many companies in the relevant industries in Taiwan, and large-scale enterprises are desperate to find professional talents, making it hard for the Company to find professional talents. In addition, existing employees may leave the Company due to salaries, work environments, work attractions, and other factors, causing difficulties in cultivating professional talents.

Countermeasures:

In addition to providing competitive remuneration and welfare, premium and comfortable work environments, and favorable promotion channels to attract and retain outstanding talents, the Company also provides comprehensive education and training to cultivate diversified R&D talents. Moreover, we continued to spare no effort in managing the relationships with employees and established favorable communication channels to strengthen employee cohesion. Furthermore, the Company improves its corporate awareness through the application for the listing of its shares to recruit outstanding talents. Also, through the issuance of employee stock options certificates, RSAs, distribution of employees' remuneration, and other instruments, the Company shares its operating achievements with employees to achieve the target of retaining and attracting outstanding talents.

C. The rise of global environmental awareness and the risk of increased operating costs

With the impact of climate change, global environmental protection awareness has been increasing. In recent years, people have attached more attention to environmental protection issues, and relevant environmental protection regulations have become more stringent. The Company is required to invest a large amount of funds to upgrade its equipment, improve production processes, and develop green process technologies; therefore, operating costs will increase.

Countermeasures:

The Company is committed to promoting energy conservation and carbon reduction by establishing relevant energy-saving equipment and optimizing production processes to practice green manufacturing. All products are based on the green product design concept to reduce environmental pollution. The selection of raw materials complies with RoHS, and the Company has obtained ISO 14001 environmental management system certification. The Company fulfills its corporate social responsibility and strives towards the goal of sustainable development.

D. Raw material price fluctuation risk

The Company’s main raw materials are panels of various sizes and specifications, IC chips, backlight modules, glass covers, PCBs, touch panels, and various parts and components. COVID-19 caused an imbalance in the global electronic product supply chain, and the market production capacity cannot meet the demand. Raw materials continue to rise when demand exceeds supply. Raw material prices are easily affected by market supply and demand, which has a direct impact on the production cost of products.

Countermeasures:

The Company has established long-term cooperative relations with major suppliers at home and abroad. In response to the fluctuation of raw material prices alongside the market supply and demand, the Company seeks to diversify the supply chain and maintain multiple sources of supply to reduce the risk of depending on specific sources of supply. It also reduces the dependence on specific raw materials through developing new alternative raw materials or improving the production process. The Company pays close attention to the quotation of raw material intake to maintain appropriate raw material inventories and refers to the raw material market conditions to appropriately transfer the fluctuation of raw material prices to customers so as to reduce the risk of raw material price fluctuations to the Company’s profits.

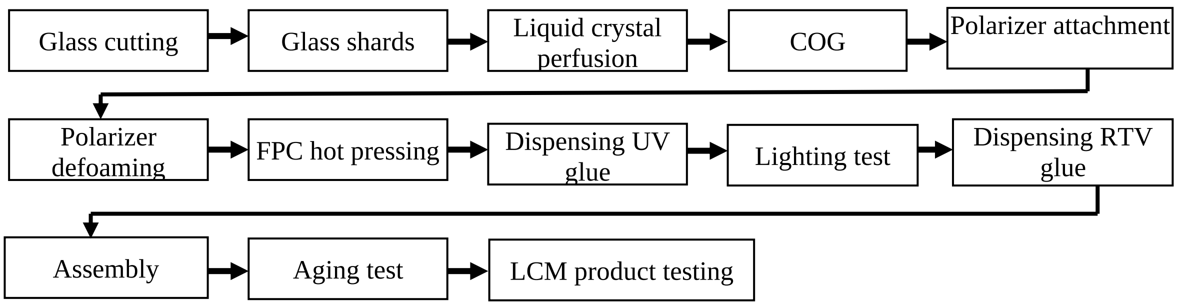
(II) Important uses and production processes of major products

1. Important uses of the major products

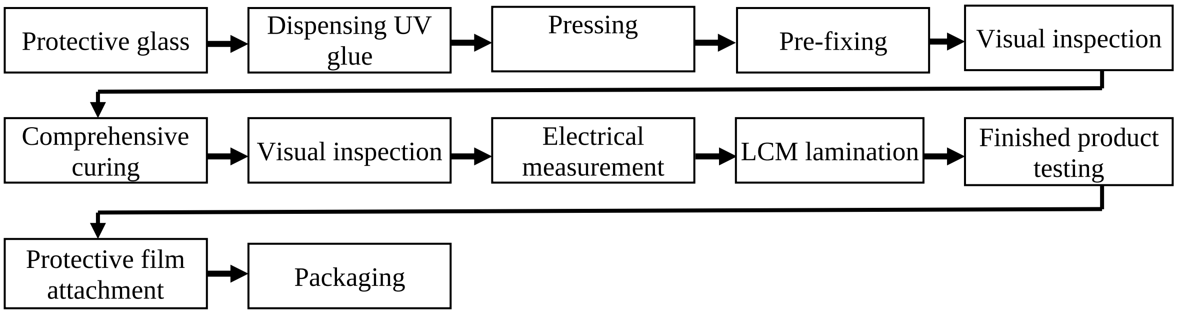
The Company is principally engaged in the design, manufacturing and sales of touch LCD modules and LCD modules. It carries out product development based on customer requirements, and its products are used in ECDIS, industrial control instrumentation, HMI, POS systems, medical devices, multi-function printers, special vehicle displays, satellite navigation and positioning systems. The Company focuses on the non-consumer product application fields of small volume and large variety.

2. Production process

(1) LCD module (LCM process)



(2) LCD touch module



(III) Supply of main raw materials

The main raw materials for the touch LCD panel modules and LCD panel modules produced by the Company are LCD panels, IC chips, backlight modules, glass covers, FPC, touch panels and other parts and components. The Company maintains healthy relationships with domestic and foreign suppliers, and has two suppliers or more for key materials to ensure the supply.

(IV) Customers accounting for more than 10% of total purchases (sales) in any of the most recent two years, and the amount and proportion of purchases (sales)

1. Information on major suppliers in the most recent two years

Unit: NT$ thousand

Item	2022				2023			
	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer
	Others	3,033,059	100.00		Others	2,053,918	100.00	
	Total	3,033,059	100.00		Total	2,053,918	100.00	

Explanation for the changes: In 2022 and 2023, the Company did not have suppliers whose purchase ratio exceeded 10%.

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

Unit: NT$ thousand

Item	2022				2023			
	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer
1	B	669,513	13.60	None.	B	627,399	16.02	None.
	Others	4,252,185	86.40		Others	3,288,846	83.98	
Total	Total	4,921,698	100.00		Total	3,916,245	100.00	

Explanation for the changes: The changes in sales customers in each period are due to business expansion, changes in the market demand of end customers in the product application fields, new product development and sales, and adjustments to order acceptance strategies in consideration of business performance.

(V) Production volume and value for the most recent two years

Unit: thousand units; NT$ thousand

Major products \ Production volume and value \ Year	2022			2023		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
LCD touch module	2,700 Note 1	1,305	2,467,239	2,200 Note 1	1,023	2,077,940
LCD module		1,109	872,019		526	379,823
Medical and industrial displays	Note 2	43	500,777	Note 2	31	394,750
Total	2,700	2,457	3,840,035	2,200	1,580	2,852,513

Note 1: Due to the differences in the calculation of production capacity for different sizes or different working procedures, it is impossible to express through a single production capacity.

Note 2: Customized and consistent operations are adopted for relevant products, and the production capacity is not comparable; therefore, only the production volume and production value are listed.

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

Unit: thousand units; NT$ thousand

Major products \ Sales volume and value \ Year	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
LCD touch module	104	426,913	1,155	2,359,463	79	282,059	941	2,208,570
LCD module	33	33,222	1,211	1,126,977	39	38,389	548	467,922
Medical and industrial displays	3	46,051	40	710,475	3	46,881	32	557,900
Others (Note)		38,562		180,035		22,433		292,071
Total		544,748		4 ,376,950		389,762		3,526,463

Note: Others include foundry and sale of raw materials, semi-finished products, parts and components, commodities, molds, and samples. As the calculation unit is not consistent, the sales volume cannot be calculated together.

III. The number of employees, average years of service, average age, and educational distribution ratio of employees in the most recent two years and up to the publication date of the annual report

March 30, 2024; unit: person

Year		2022	2023	As of March 30, 2024
Number of employees	Direct labor	187	167	164
	Direct labor	371	364	359
	Total	558	531	523
Average age		39	40.08	40.16
Average years of service		6.90	7.90	8.03
Education distribution ratio	Ph.D.	0.18%	0.22%	0.22%
	Master’s Degree	4.84%	7.56%	7.53%
	Junior College	52.15%	52.56%	52.65%
	Senior High School	33.69%	31.84%	31.74%
	Below high school	9.14%	7.82%	7.86%

IV. Information on environmental protection expenditure

Any losses suffered due to environmental pollution in the most recent year and up to the publication date of the annual report (including compensation violations of environmental protection regulations found in environmental protection audit results; the date of disposal, disposal document No., article violated, the content of the violation of regulations, and the content of disposal shall be specified); disclose the estimated amount that may occur at present and in the future and the countermeasures. If the amount cannot be reasonably estimated, the reason why it cannot be estimated shall be stated: None.

V. Labor-capital relations

(I) The Company's employee welfare measures, continuing education, training, and retirement systems and their implementation, as well as the labor-capital agreements and measures to protect the rights and interests of employees

1. Employee welfare measures and implementation

In order to enhance employee welfare, the Company continues to plan for diversified employee welfare policies and is committed to improving the workplace environment for employees through aspects of food, clothing, domicile, transportation, education, and entertainment to take care of employees' workplace lives with diversity. The existing welfare measures majorly include:

(1) The enrollment for labor insurance, labor pension funds, and health insurance of employees according to the law.

(2) Comprehensive on-boarding and in-service education and training.

(3) Welfare measures provided by the Company: Gift money on birthdays, Chinese New Year, and festivals, subsidies for employees' weddings, funerals, and childbirth, performance bonuses, year-end parties and lucky draws, and regular company trips.

(4) Employee Welfare Committee: The Company has established the Employee Welfare Committee in accordance with the Employee Welfare Fund Act to coordinate various employee welfare and ensure labor rights and interests. The Employee Welfare Committee meetings are held on a quarterly basis, and the budget and welfare measures are prepared annually.

2. Continuing education and training

The Company implements internal and external in-service training based on the work requirements of employees and the future operating status of the Company to enhance employees' skills in their own duties and improve work efficiency.

3. Retirement system and implementation

(1) The Company's regulations for employee retirement were formulated in accordance with the Labor Standards Act, and the Supervisory Committee of the Labor Retirement Reserve was established in April 1999.

(2) In accordance with the Labor Standards Act, the Company appropriates the labor pension reserve on a monthly basis at the appropriation rate approved and deposited it in an account with the Central Trust of China for preservation and use. At the same time, according to the Labor Pension Act, 6% of the monthly salaries is appropriated and deposited into the accounts with the Bureau of Labor Insurance of employees, with the Act applying, as the retirement reserve.

(3) All employees of the Company have the rights and obligations to comply with the

regulations for employee retirement.

4. Labor-capital agreements and measures to protect the rights and interests of employees

In addition to complying with laws and protecting the rights and interests of employees, the Company fully communicates with and promotes employees before implementing any major policies in order to understand the needs of employees, obtain their support, and create win-win and harmonious labor-capital relations.

(II) Any losses suffered due to labor-capital disputes in the most recent year and up to the publication date of the annual report (including labor inspection results and violations of the Labor Standards Act; the date of disposal, disposal document No., article violated, the content of the violation of regulations, and the content of disposal shall be specified); disclose the estimated amount that may occur at present and in the future and the countermeasures. If the amount cannot be reasonably estimated, the reason why it cannot be estimated shall be stated: None.

VI. Cybersecurity management

(I) Describe the cybersecurity risk management structure, the cybersecurity policy, the specific management plan, and the resources invested in cybersecurity management:

1. Cybersecurity management strategy and framework

The IT Department of the Company is the main execution unit of cybersecurity. It implements the cybersecurity policies, promotes cybersecurity-related information to employees, enhances the employees' overall awareness of cybersecurity, and maintains the stable operation of the systems to ensure the overall information security system In addition, the Audit Office is the audit unit of the cybersecurity supervision. If any deficiencies are found during the audit, the relevant improvement plans are proposed, and the improvement results are regularly tracked to reduce internal information security risks. CPAs also carry out the audit of IT operations each year. If any deficiency is found, the Company will require improvement measures and follow-up on improvement results.

2. Information security policy

In order to strengthen cybersecurity management, ensure the availability, integrity and confidentiality of the information system, and prevent internal and external intentional or accidental threats, the Company has established its procedures for computer resource management in the hope of achieving the following policy targets through the joint observation of all employees:

(1) Ensure the validity, confidentiality and integrity of information assets.
(2) Ensure that sensitive data is accessed in accordance with the department's duties.
(3) Ensure the stable and continuous operation of the information system.
(4) Prevent data theft and maintain the security of accounts and passwords.
(5) Implement data backup and disaster recovery drills.
(6) Conduct information security audits to ensure the implementation of information security policies.

3. Specific management measures

Internet information security control	Data access control	Disaster recovery mechanism	Promotion and audit
Installation of firewalls	The setting of account and password for information equipment that are regularly changed	Regular reviews of the adequacy of backups	On-boarding and occasional information security promotions to enhance employees' information security awareness
Installation of anti-virus software at each endpoint device to enhance endpoint protection	Setting up individual authorities according to the duties of each department and having regular reviews of the appropriateness of the access	Quarterly disaster recovery drills	Social engineering drills each year and information security promotion and tests for employees based on the drill results
Management of all network equipment and services are in accordance with the information security policy	Alteration or closure of the initial access for job transfers or resignations	Implementation of local, remote and offline backup mechanisms	Conducting information security audits by the Audit Office each year to ensure the implementation of information security policies
Vulnerability screening and regular follow-up of servers	Special remote login permissions (i.e., VPN) must be approved by the executive over the level of division	Regular reviews of the disaster recovery process and continuous optimization	Information operation audits by CPAs each year, and continuous follow-ups and improvements to optimize the information security protection
Regular audits of the system records of various equipment and continuous follow-ups			

4. Resources invested in cybersecurity management

At present, the Company implements Internet information security control, data access control, disaster recovery systems, and audits of information security loopholes according to the information security policy to carry out the protection and vulnerability improvement of network firewalls. It sets up individual access for the duties of different departments and regularly examines the disaster recovery process, continues to make optimizations, and communicates with all employees from time to time to improve the information security awareness of employees. The Audit Office also implements the cybersecurity audit each year to ensure the implementation of the cybersecurity policy. As of the publication date of the annual report, there was no harm to the operations due to material information security events. In the future, the Company will continue to implement the cybersecurity management policy and regularly implement drills under the disaster recovery plan to maintain the Company's important operating systems and cybersecurity.

(II) Any losses suffered by the Company in the most recent year and up to the publication date of the annual report due to significant cybersecurity incidents, the possible impacts therefrom, and countermeasures. If the amount cannot be reasonably estimated, the reason why it cannot be estimated shall be stated: None.

VII. Important contracts

Nature of	Parties involved	Start and end dates	Main content	Restrictive
Lease contract	Hung Chou Fiber Industrial Co., Ltd.	2019/4/30 - 2024/10/29	Plant lease contract	None
Lease contract	Qisda Corporation	2020/5/1 - 2025/4/30	Plant lease contract	None

Six. Financial Overview

I. Condensed balance sheets and statement of comprehensive income for the most recent five years

(I) IFRS - Consolidated Financial Statements

Unit: NT$ thousand

Year / Item		Financial information for the most recent five years (Note 1)				
		2019	2020	2021 (after restatement) (Note 2)	2022	2023
Current assets		1,309,359	1,685,597	2,885,239	2,695,383	2,137,649
Property, plant and equipment		359,369	354,402	832,166	807,935	787,051
Intangible assets		3,609	4,439	277,002	256,965	237,847
Other assets		109,631	111,576	153,441	131,062	121,218
Total assets		1,781,968	2,156,014	4,147,848	3,891,345	3,283,765
Current liabilities	Before distribution	667,625	993,856	1,811,954	1,245,293	912,351
	After distribution	771,724	1,097,955	2,020,153	1,592,291	1,189,949
Non-current liabilities		62,883	34,423	176,953	256,451	57,455
Total liabilities	Before distribution	730,508	1,028,279	1,988,907	1,501,744	969,806
	After distribution	834,607	1,132,378	2,197,106	1,848,742	1,197,404
Equity attributable to owners of the parent company		1,051,460	1,127,735	1,338,111	1,558,057	1,483,512
Share capital		693,996	693,996	693,996	693,996	693,996
Capital surplus		60,000	60,000	60,000	60,000	60,000
Retained earnings	Before distribution	326,183	401,548	610,414	824,458	756,370
	After distribution	222,084	297,449	402,215	477,460	478,772
Other equity		(28,719)	(27,809)	(26,299)	(20,397)	(26,854)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	820,830	831,544	830,447
Total equity	Before distribution	1,051,460	1,127,735	2,158,941	2,389,601	2,313,959
	After distribution	947,361	1,023,636	1,950,742	2,042,603	2,036,361

Note 1: The financial information for each year has been audited by the CPAs.

Note 2: The Company acquired DIVA Laboratories in October 2021, and was entitled to the difference between the carrying amount of the subsidiary and the share of net fair value of identifiable assets and liabilities and goodwill. The publication of the financial statements at the end of 2021 was during the measurement period. The Company engaged an expert to assist in identifying and measuring the fair value of identifiable assets and liabilities, and the price allocation was completed within one year from the acquisition date. In the subsequent measurement period, the Company makes retrospective adjustments based on the new information obtained about the existing facts and circumstances on the acquisition date.

Note 3: The cash dividends under the proposal for the 2023 earning distribution have been resolved by the Board for distribution on March 1, 2024.

Unit: NT$ thousand

Item \ Year	Financial information for the most recent five years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	2,711,425	2,836,726	4,319,835	4,921,698	3,916,245
Gross profit	530,605	526,873	766,326	1,096,802	932,343
Operating income	256,003	263,894	413,447	566,841	396,709
Non-operating income and expenses	12,722	(23,806)	(15,813)	3,265	1,339
Income before income tax	268,725	240,088	397,634	570,106	398,048
Net profit from continuing operations	208,749	179,070	314,351	445,406	314,501
Losses from discontinued operations	-	-	-	-	-
Net profit for the period	208,749	179,070	314,351	445,406	314,501
Other comprehensive income for the period (net amount after tax)	(6,703)	1,304	(4,750)	7,443	(5,333)
Total comprehensive income for the period	202,046	180,374	309,601	452,849	309,168
Net profit attributable to owners of the parent company	208,749	179,070	318,020	421,865	278,863
Net profit (loss) attributable to non-controlling interest	-	-	(3,669)	23,541	35,638
Total comprehensive income attributable to owners of the parent company	202,046	180,374	314,475	428,145	272,453
Total comprehensive income attributable to non-controlling interest	-	-	(4,874)	24,704	36,715
Earnings per share (NT$)	3.01	2.58	4.58	6.08	4.02

Note: The financial information of each year has been audited by the CPAs.

(II) IFRS - Financial Statements

Unit: NT$ thousand

Item \ Year		Financial information for the most recent five years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		1,124,405	1,456,381	1,712,125	1,487,715	1,034,684
Property, plant and equipment		27,673	38,864	34,198	30,563	23,551
Intangible assets		2,492	2,579	3,795	4,401	3,109
Other assets		291,651	340,220	1,002,381	1,086,826	1,136,289
Total assets		1,446,221	1,838,044	2,752,499	2,609,505	2,197,633
Current liabilities	Before distribution	336,856	680,758	1,293,456	844,314	707,738
	After distribution	440,955	784,857	1,501,655	1,191,312	985,336
Non-current liabilities		57,905	29,551	120,932	207,134	6,383
Total liabilities	Before distribution	394,761	710,309	1,414,388	1,051,448	714,121
	After distribution	498,860	814,408	1,622,587	1,398,446	991,719
Equity attributable to owners of the parent company		1,051,460	1,127,735	1,338,111	1,558,057	1,483,512
Share capital		693,996	693,996	693,996	693,996	693,996
Capital surplus		60,000	60,000	60,000	60,000	60,000
Retained earnings	Before distribution	326,183	401,548	610,414	824,458	756,370
	After distribution	222,084	297,449	402,215	477,460	478,772
Other equity		(28,719)	(27,809)	(26,299)	(20,397)	(26,854)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,051,460	1,127,735	1,338,111	1,558,057	1,483,512
	After distribution	947,361	1,023,636	1,129,912	1,211,059	1,205,914

Note 1: The financial information for each year has been audited by the CPAs.
Note 2: The cash dividends under the proposal for the 2023 earning distribution have been resolved by the Board for distribution on March 1, 2024.

Unit: NT$ thousand

Item \ Year	Financial information for the most recent five years (Note 1)				
	2019	2020	2021	2022	2023
Operating income	2,575,636	2,728,914	4,149,649	3,933,071	3,004,078
Gross profit	370,956	388,604	590,357	636,008	518,938
Operating income	180,018	201,166	354,872	382,155	242,533
Non-operating income and expenses	67,805	21,523	28,718	124,987	86,608
Income before income tax	247,823	222,689	383,590	507,142	329,141
Net profit from continuing operations	208,749	179,070	318,020	421,865	278,863
Losses from discontinued operations	-	-	-	-	-
Net profit for the period	208,749	179,070	318,020	421,865	278,863
Other comprehensive income for the period (net amount after tax)	(6,703)	1,304	(3,545)	6,280	(6,410)
Total comprehensive income for the period	202,046	180,374	314,475	428,145	272,453
Net profit attributable to owners of the parent company	208,749	179,070	318,020	421,865	278,863
Net profit attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to owners of the parent company	202,046	180,374	314,475	428,145	272,453
Total comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share (NT$)	3.01	2.58	4.58	6.08	4.02

Note: The financial information of each year has been audited by the CPAs.

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

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

Year	Name of CPA's firm	Name of CPA	Opinion
2019	Deloitte Taiwan	Shu-Chuan Yeh and Ching-Pin Shih	Unqualified opinion
2020	Deloitte Taiwan	Shu-Chuan Yeh and Ming-Hsin Cho	Unqualified opinion
2021	Deloitte Taiwan	Shu-Chuan Yeh and Ming-Hsin Cho	Unqualified opinion plus a emphasized matter paragraph
2022	Deloitte Taiwan	Shu-Chuan Yeh and Ming-Hsin Cho	Unqualified opinion
2023	Deloitte Taiwan	Shu-Chuan Yeh and Chih-Ming Shao	Unqualified opinion

2. For replacements of CPA in the most recent five years, the description of the reason for the replacement provided by the Company, former CPAs, and succession CPAs shall be specified:

The replacements of CPAs of the Company in the most recent five years were the rotation of partial CPAs due to internal job adjustments of Deloitte Taiwan.

II. Financial analysis for the most recent five years

(I) IFRS - Consolidated Financial Statements

Analysis item \ Year		Financial analysis for the most recent five years (Note)				
		2019	2020	2021	2022	2023
Financial structure	Debt-to-asset ratio (%)	40.99	47.69	47.95	38.59	29.53
	Ratio of long-term capital to property, plant and equipment (%)	310.08	327.92	280.70	327.51	301.30
Solvency	Current ratio (%)	196.12	169.60	159.23	216.45	234.30
	Quick ratio (%)	150.94	122.00	101.93	138.40	166.54
	Interest coverage ratio (time)	38.12	46.77	66.20	57.42	73.57
Operating capacity	Amounts receivable turnover (time)	5.34	4.30	4.53	5.08	5.54
	Average collection days	69	85	81	72	66
	Inventory turnover (time)	5.40	6.34	4.93	3.94	3.85
	Amounts payable turnover (time)	4.46	4.16	4.60	5.23	5.97
	Average sales days	68	58	75	93	95
	Property, plant and equipment turnover (time)	7.42	7.95	7.28	6.00	4.91
	Total asset turnover (time)	1.49	1.44	1.37	1.22	1.09
Profitability	Return on assets (%)	11.76	9.31	10.13	11.28	8.89
	Return on equity (%)	21.19	16.43	19.13	19.58	13.37
	Ratio of net profit before tax to paid-in capital (%)	38.72	34.60	57.30	82.15	57.36
	Net profit margin (%)	7.70	6.31	7.28	9.05	8.03
	Earnings per share (NT$)	3.01	2.58	4.58	6.08	4.02
Cash flow	Cash flow ratio (%)	57.21	8.70	12.69	59.30	163.48
	Cash flow adequacy ratio (%)	156.25	112.10	67.08	116.33	130.90
	Cash reinvestment ratio (%)	21.19	(1.15)	4.40	16.53	13.40
Leverage	Operating leverage	1.89	1.89	1.77	1.94	2.35
	Financial leverage	1.03	1.02	1.01	1.02	1.01

Reason for changes reaching 20% in financial ratios in the most recent two years:

1. Decrease in debt-to-asset ratio: Primarily due to the reduction in accounts payable resulting from the decrease in purchases during the period.
2. Increase in quick ratio: Primarily due to the reduction in accounts payable resulting from the decrease in purchases during the period.
3. Increase in interest coverage ratio: Interest expenses decreased in 2023.
4. Decrease in return on assets: Profit decreased in 2023.
5. Decrease in return on equity: Profit decreased in 2023.
6. Decrease in the ratio of net profit before tax to paid-in capital: Profit decreased in 2023.
7. Decrease in earnings per share: Profit decreased in 2023.
8. Increase in cash flow ratio: Primarily due to the reduction in accounts payable resulting from the decrease in purchases during the period.
9. Increase in operating leverage: Due to the increase in the ratio of fixed assets to total cost resulting from the decrease in operating income.

Note: The financial information of each year has been audited by the CPAs.

(II) IFRS - Financial Statements

Analysis item / Year		Financial analysis for the most recent five years (Note)				
		2019	2020	2021	2022	2023
Financial structure	Debt-to-asset ratio (%)	27.30	38.64	51.39	40.29	32.50
	Ratio of long-term capital to property, plant and equipment (%)	4,008.84	2,977.78	4,266.46	5775.58	6,326.25
Solvency	Current ratio (%)	333.79	213.94	132.37	176.20	146.20
	Quick ratio (%)	279.18	172.51	98.73	122.89	101.28
	Interest coverage ratio (time)	168.79	181.75	155.24	96.13	164.43
Operating capacity	Amounts receivable turnover (time)	5.17	4.31	4.90	5.43	6.57
	Average collection days	71	85	75	68	56
	Inventory turnover (time)	8.05	10.42	10.18	7.60	6.59
	Amounts payable turnover (time)	8.42	6.35	6.28	5.87	5.14
	Average sales days	46	36	36	49	56
	Property, plant and equipment turnover (time)	124.41	82.03	113.59	121.46	111.03
	Total asset turnover (time)	1.76	1.66	1.81	1.47	1.25
Profitability	Return on assets (%)	14.32	10.96	13.94	15.89	11.67
	Return on equity (%)	21.19	16.43	25.79	29.13	18.34
	Ratio of net profit before tax to paid-in capital (%)	35.71	32.09	55.27	73.08	47.03
	Net profit margin (%)	8.10	6.56	7.66	10.73	9.28
	Earnings per share (NT$)	3.01	2.58	4.58	6.08	4.02
Cash flow	Cash flow ratio (%)	103.21	9.11	17.44	74.35	65.49
	Cash flow adequacy ratio (%)	288.60	151.23	59.29	94.86	97.11
	Cash reinvestment ratio (%)	24.45	-3.56	8.19	23.37	7.64
Leverage	Operating leverage	1.72	1.68	1.48	1.53	1.89
	Financial leverage	1.01	1.01	1.01	1.01	1.01

Reason for changes reaching 20% in financial ratios in the most recent two years:

1. Decrease in interest coverage ratio: Interest expenses decreased in 2023.
2. Increase in accounts receivable turnover: Primarily due to the decrease in accounts receivable.
3. Decrease in return on assets: Profit decreased in 2023.
4. Decrease in return on equity: Profit decreased in 2023.
5. Decrease in the ratio of net profit before tax to paid-in capital: Profit decreased in 2023.
6. Decrease in earnings per share: Profit decreased in 2023.
7. Decrease in cash reinvestment ratio decreased: Net cash inflow from operating activities decreased in 2023, and cash dividends increased as compared to the preceding year.
8. Increase in operating leverage: Due to the increase in the ratio of fixed assets to total cost resulting from the decrease in operating income.

Note: The financial information of each year has been audited by the CPAs.

The calculation formulas for the analysis item are as follows:

1. Financial structure
   (1) Debt-to-asset ratio = total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities)/net property, plant and equipment
2. Solvency
   (1) Current ratio = current assets/current liabilities
   (2) Quick ratio = (current assets - inventory - prepayments)/current liabilities
   (3) Interest coverage ratio = Net profit before income tax and interest expenses/interest expenses for the period
3. Operating capacity
   (1) Amounts receivable (including accounts receivable and notes receivable arising from operations) turnover = net sales/balance of average amounts receivable for each period (including amounts receivable and notes receivable arising from operations)
   (2) Average collection days = 365/Amount receivable turnover
   (3) Inventory turnover = cost of sales/average inventory
   (4) Amounts payable (including accounts payable and notes payable arising from operations) turnover = cost of sales/balance of average amounts payable for each period (including amounts payable and notes payable arising from operations)
   (5) Average sales days = 365/inventory turnover
   (6) Property, plant and equipment turnover = net sales/average net property, plant and equipment
   (7) Total asset turnover = net sales/average total assets
4. Profitability
   (1) Return on assets = [profit or loss after tax + interest expenses x (1 - tax rate)]/average total assets
   (2) Return on equity = profit or loss after tax/average total equity
   (3) Net profit margin = profit or loss after tax/net sales
   (4) Earnings per share = (profit or loss attributable to owners of the parent company - dividends of preferred shares)/weighted average number of issued shares
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities
   (2) Net cash flow adequacy ratio = net cash flow from operating activities for the most recent five years/(capital expenditure + increase in inventory + cash dividend) for the most recent five years
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage
   (1) Operating leverage = (net operating income - variable operating costs and expenses)/operating gains
   (2) Financial leverage = operating gains/(operating gains - interest expenses)

III. Audit Committee’s Review Report on the financial statements of the most recent year:

Audit Committee’s Review Report

The Board of Directors has prepared the Company’s 2023 business report, financial statements, and the proposal for earning distribution. The financial statements mentioned above were audited by CPAs Vivian Yeh and Eddie Shao from Deloitte Taiwan with an independent auditor’s report issued. The above business report, financial statements and proposal for earning distribution have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

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Data Image Corporation 2024 Annual General Meeting

Convener of the Audit Committee: Yeh Hui-Xin

March 1, 2024

IV. Consolidated financial statements of the parent company and subsidiaries audited and certified by CPAs in the most recent year: Please see Appendix 1 on pages 108 to 186 for details.

IV. Financial statements audited and certified by CPAs in the most recent year: Please see Appendix 2 on pages 187 to 247 for details.

VI. If the Company and its affiliates have experienced financial difficulties in the most recent year and up to the publication date of the annual report, the impact on the Company's finance shall be specified: None.

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

I. Review and analysis of the financial position

Unit: NT$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	2,137,649	2,695,383	(557,734)	(20.69)
Property, plant and equipment	787,051	807,935	(20,884)	(2.58)
Intangible assets	237,847	256,965	(19,118)	(7.44)
Other assets	121,218	131,062	(9,844)	(7.51)
Total assets	3,283,765	3,891,345	(607,580)	(15.61)
Current liabilities	912,351	1,245,293	(332,942)	(26.74)
Non-current liabilities	57,455	256,451	(198,996)	(77.60)
Total liabilities	969,806	1,501,744	(531,938)	(35.42)
Share capital	693,996	693,996	—	0.00
Capital surplus	60,000	60,000	—	0.00
Retained earnings	756,370	824,458	(68,088)	(8.26)
Other equity	(26,854)	(20,397)	(6,457)	31.66
Equity attributable to owners of the Company	1,483,512	1,558,057	(74,545)	(4.78)
Non-controlling interests	830,447	831,544	(1,097)	(0.13)
Total equity	2,313,959	2,389,601	(75,642)	(3.17)

Analysis of changes in the percentage in the most recent two years (changes reaching 20% with an amount of change reaching NT$10 million or above):

1. Decrease in current assets: Primarily due to the decrease in accounts receivable resulting from the decrease in operating income in 2023.
2. Decrease in current liabilities: Primarily due to the decrease in accounts payable resulting from the slowdown in material preparation in 2023.
3. Decrease in non-current liabilities: Primarily due to the repayment of long-term borrowings.
4. Decrease in total liabilities: Primarily due to the decrease in long-term borrowings and accounts payable.

II. Review and analysis of the financial performance

Unit: NT$ thousand

Item \ Year	2023	2022	Amount increased (decreased)	Percentage of change (%)
Net operating income	3,916,245	4,921,698	(1,005,453)	(20.43)
Operating cost	2,986,378	3,823,760	(837,382)	(21.90)
Gross profit	929,867	1,097,938	(168,071)	(15.31)
Realized (unrealized) gains of associates	2,476	(1,136)	3,612	(317.96)
Realized gross profit	932,343	1,096,802	(164,459)	(14.99)
Operating expenses	535,634	529,961	5,673	1.07
Operating income	396,709	566,841	(170,132)	(30.01)
Non-operating income (expenses)	1,339	3,265	(1,926)	(58.99)
Income before income tax	398,048	570,106	(172,058)	(30.18)
Income tax expenses	83,547	124,700	(41,153)	(33.00)
Net profit after tax	314,501	445,406	(130,905)	(29.39)

Analysis of changes in the percentage in the most recent two years (changes reaching 20% with an amount of change reaching NT$10 million or above):

1. Decrease in operating income, operating cost, and operating gains: Primarily due to the decrease in relevant cost resulting from the decrease in operating income in 2023.
2. Decrease in net profit before tax and net profit after tax: Primarily due to the decrease in profit in 2023 compared to the preceding year.
3. Decrease in income tax expenses: Primarily due to the decrease in income tax expenses resulting from the decrease in profit in 2023 compared to the preceding year.

III. Cash flow

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

Unit: NT$ thousand

Item \ Year	2023	2022	Amount increased (decreased)	Percentage of change (%)
Net cash flow from operating activities	745,743	738,455	7,288	0.99
Net cash flow from investing activities	(25,296)	(22,223)	(3,073)	13.83
Net cash flow from financing activities	(615,648)	(609,600)	(6,048)	0.99

Analysis of changes in the percentage in the most recent two years (changes reaching 20%):

(II) Improvement plan for insufficient liquidity: The Company has sufficient cash, and there is no concern about insufficient liquidity.

(III) Cash flow analysis for the following year:

Unit: NT$ thousand

Cash balance at the beginning of the period ①	Expected net cash flow from operating activities throughout the year ②	Expected net cash flow from investing activities throughout the year ③	Expected net cash flow from financing activities throughout the year ④	Cash surplus (deficit) ①+②+③+④	Remedial measures for expected cash deficit	
					Investment plan	Financing plan
947,955	438,892	(50,000)	12,713	1,349,560	Not applicable	Not applicable

1. Analysis of changes in cash flow in the following year:
   (1) Operating activities: The net cash inflow from operating income throughout the year is primarily due to the estimated generation of cash inflow arising from the stable profit.
   (2) Investing activities: The net cash outflow due to the estimated purchase of machines and office equipment.
   (3) Financing activities: The net cash inflow is due to the performance of a capital increase in cash.
2. Remedial measure for estimated cash deficit: Not applicable as there is no estimated cash deficit.

IV. The impact of material capital expenditures on finance and business in the most recent year

The Company had no material capital expenditure in 2023; therefore, there was no material adverse impact on the Company's finance and business.

V. The policy on investments in the most recent year, the main reason for gain or loss, improvement plans, and investment plans for the following year

(I) Overview of the investment in 2023

Unit: NT$ thousand

Item / Company	Investment gains or losses recognized in 2023	Main reason for gains or losses	Improvement plan
Data Image (MAURITIUS) Corporation	62,916	Recognize gains from investees.	Maintain the same investment strategy.
DIVA Laboratories, Ltd.	19,657	Stable market demand for medical displays	Maintain the same investment strategy.
DMC COMPONENTS INTERNATIONAL LLC	1,267	Stable market demand for panel modules in the US	Maintain the same investment strategy.
Data Image (Suzhou) Corporation	63,199	Favorable operating status.	None
DIVA Laboratories GmbH	(220)	Only after-sales services with no operating income.	Reduce the employment of personnel to avoid the expansion of losses.
Diva Laboratories U.S.,LLC	2,709	Favorable operating status.	None
Panoramic Imaging Solutions Inc.	(1,510)	There is no operating income at present, and the fixed expenses were amortized and recognized.	Liquidation procedure has been carried out.
Diva Capital Inc.	1,253	Recognize gains from investee Diva Holding Inc..	None
Diva Holding Inc.	1,253	Recognize gains from investee Suzhou Yu Wei Medical Instrument Co., Ltd..	None
Suzhou Diva Lab. Inc.	1,253	Favorable operating status.	None
The Linden Group Corp.	(7,156)	The customer delayed the delivery due to the effects of a material shortage.	Require the customer to perform according to orders

(II) Investment plan for the following year

At present, the Company has no investment plan. If there is any investment necessity in the future, it will duly assess the investment risks and benefits.

VI. Analysis of risks in the most recent year and up to the publication date of the annual report

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

1. Impacts of changes in interest rate change on the Company's profit or loss and future countermeasures

The net interest expenses of the Company accounted for 0.14% of its net operating income in 2023. The ratio to net profit before tax was 1.38%, representing that changes in interest rate have an insignificant impact on the Company's operations.

In addition to continuing to attach attention to changes in the economic environment and interest rate trends, the Company also maintains healthy relationships with its banks in terms of credit loans. Apart from actively fighting for lower interest rates with banks, the Company also constantly obtains more favorable interest rates from other banks in order to reduce the interest rate risks that may arise from various liabilities.

2. Impacts of changes in exchange rate change on the Company's profit or loss and future countermeasures

The Company's sales and purchases are mainly quoted in USD to ensure that the profit margin is not excessively affected by the fluctuation of the exchange rate. The Company's exchange (loss) gain for 2023 was NT$5,110 thousand, accounting for 0.13% of its net operating income or 1.28% of net profit before tax, representing that changes in the exchange rate have an insignificant impact on the Company.

To reduce risks arising from changes in the exchange rate, the Company adopted natural hedging. For the remaining foreign currency positions that cannot be treated through natural hedging, the Company enters into forward exchange contracts and exchange swap contracts with domestic financial institutions with favorable credit standing and continues to regularly evaluate foreign currency positions and risks to minimize the operating risks of the Company. Regarding the net asset position in USD and the flow that may be generated in the future, the Company keeps abreast of the international economic situation at all times, refers to banks' analysis reports, undertakes forward exchange transactions and exchange transactions or directly sells USD on the spot for hedging. It continues to maintain close contact with financial institutions and keep abreast of exchange rate trends to reduce the negative impact arising from changes in exchange rates.

3. Impacts of changes in exchange rate change on the Company's profit or loss and future countermeasures

The Company's quotation to customers is adjusted flexibly with reference to the changes in raw material prices in the market. Inflation has an insignificant impact on the Company's profit or loss. The Company will keep abreast of the price changes of upstream raw materials and downstream products to reduce the impact of inflation on the Company's profit and loss.

(II) Policies on engaging in high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivative transactions, the main reasons for gains or losses, and future countermeasures

1. Implementation of high-risk and high-leverage investments and future countermeasures:

The Company concentrates on its core business and does not engage in high-risk or high-leverage investments.

2. Implementation of loans to others and future countermeasures:

The Company has established the "Procedures for Loans to Others," which were approved by the shareholders' meeting to serve as the basis for the Company's when engaging in loans to others. The Company has no loans to others in the most recent year and up to the publication date of the annual report. If there is a need for financing in the future due to business requirements, the Company will make arrangements according to its "Procedures for Loans to Others" and announce the information on loans to others accurately and in a timely manner according to laws and regulations.

3. Implementation of endorsements and guarantees and future countermeasures:

The Company has established the "Procedures for Endorsements and Guarantees," which were approved by the shareholders' meeting to serve as the basis for the Company's endorsements and guarantees. In the most recent year and up to the publication date of the annual report, the Company provided endorsements and guarantees of US$1 million to Data Image (Suzhou) Corporation (the "Data Image (Suzhou)") for its business requirements. Such endorsements and guarantees were implemented in compliant with the "Procedures for Endorsements and Guarantees" established by the Company, and the Company announced the information on endorsements and guarantees provided to others accurately and in a timely manner according to laws and regulations.

4. Implementation of derivative transactions and future countermeasures:

The Company has established the "Procedures for Acquisition or Disposal of Assets," which were approved by the shareholders' meeting to serve as the basis for the Company's derivative transactions. To avoid the risks of exchange rate, the Company engages in forward exchange and other derivative transactions and continues to regularly assess foreign currency positions and risks to minimize the operating risks of the Company. Derivative transactions are conducted in accordance with the "Procedures for Acquisition or Disposal of Assets" established by the Company.

(III) Future R&D plans and expected R&D expenses

1. Future R&D plans

(1) Industrial-grade enhanced display modules: In response to the different operating environments of end products, advanced optical optimization and panel module technology are adopted to provide anti-reflection, anti-fingerprint marks, seeable under sunlight, high brightness, antibacterial, explosion-proof, high hardness, scratch-resistant and wide viewing angle product content.

(2) Integrated development of touch display panel modules: Integrate the display, touch panel and backlight module with the upper plastic casing for the benefit of customers' design and use, reducing customer assembly hours and improving the yield.

(3) Special vehicle displays: Development of rugged products with higher resolution and wider color gamut with heat and cold resistance, high SNR and low reflectivity.

(4) ECDIS: In addition to improving the optical attribute and temperature and humidity

resistance, the Company will seek the reduction of noise generation through the selection of materials to avoid interfering with wireless communication signals to pass the electromagnetic compatibility (EMC) specifications under the IEC60945 Maritime Navigation and Radiocommunication Equipment and Systems Certification together with the overall design of the mainframe. Furthermore, we will develop the curved dual-screen tough digital display dashboard to bring advanced and outstanding user experience by adopting the curves that align with human factors engineering. In the future vessel sailing system, we will integrate the control interfaces of the instrumentation and information and provide larger display panels.

2. Expected R&D expenses

The Company expects to invest R&D expenses of NT$192,000 thousand in 2024, and the expenses will be prepared according to the progress of the new product and new technology development step by step. The Company will maintain a certain level of growth based on the operating status to ensure the Company’s competitive strength.

(IV) Impacts of changes in important domestic and foreign policies and laws on the Company’s finance and business and countermeasures:

The Company keeps abreast of changes in policies and laws that may affect its operations and adjusts its internal systems to ensure the smooth operations of the Company. In the most recent year and up to the publication date of the annual report, there was no impact on the Company’s finance and business due to changes in important domestic and foreign policies and laws.

(V) Impacts of changes in technology (including cybersecurity risks) and changes in the industry on the Company’s finance and business and responsive measures: None.

The Company keeps abreast of changes in technology and technological developments related to the industry in which it operates at all times, continues to upgrade its engineering technology in line with industrial and market trends, and is committed to the integration of engineering technologies and technology upgrades to meet customer needs; the Company has formulated its information security policy and relevant regulations for cybersecurity risks. In addition, the Company has established a dedicated information security unit, which is responsible for promoting, coordinating, supervising, and reviewing matters related to cybersecurity management. In the most recent year and up to the publication date of the annual report, there was no impact on the Company’s finance and business due to changes in technology (including cybersecurity risks) and changes in the industry.

(VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company has always adhered to the principles of professionalism and integrity and attached great importance to corporate image and risk management. In the most recent year and up to the publication date of the annual report, the Company had not faced any crisis management due to changes in its corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions (M&A) and countermeasures:

In the most recent year and up to the publication date of the prospectus, the Company did not have any M&A plan. However, if there is any M&A plan in the future, it will be arranged in accordance with the relevant laws and regulations and related management regulations to ensure the protection of the Company's benefits and shareholders' rights and interests.

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

In the most recent year and up to the publication date of the prospectus, the Company has no plan for plant expansion.

(IX) Risks associated with the concentration of purchases or sales and countermeasures

1. Risks associated with the concentration of purchases and countermeasures

In 2023, the highest purchase ratio from a single supplier in 2023 was 6.98%; therefore, there was no concentration of purchases. Furthermore, the Company has long been establishing long-term, stable, and favorable cooperating relationships with suppliers, and there was no impact on the Company's business due to supply shortage or suspension. In the future, with the development of new products, the Company will increase its supply sources to ensure the supplies for production capacity.

2. Risks associated with the concentration of sales and countermeasures

The sales to the top ten sales customers in 2023 accounted for 58.02% of the net operating income of the respective year. Regarding the sales to customers, the use in Customer A's products accounted for the most (23.9%), and the sales ratio to the remaining customers was less than 10%; sales targets are dispersed. The Company continues to strive to explore internationally renowned customers, develop new markets, and diversify product application fields, and there is no risk of sales concentration. In addition, the Company evaluates customers based on individual financial attributes. It carries out risk control through insurance companies, letters of credit issued by banks, collateral, and different transaction models and tracks the payments of customers in due course to protect the Company's benefits.

(X) Impact of mass transfers of or changes in the equity of Directors, supervisors, or major shareholders with over 10% shareholdings on the Company, risks, and countermeasures:

In the most recent year and up to the publication date of the annual report, there has been no significant impact on the Company's operations due to mass transfers of or changes in the equity of Directors, supervisors, or major shareholders with over 10% shareholdings.

(XI) Impacts of changes in the right of management on the Company, risk, and countermeasures:

In the most recent year and up to the publication date of the annual report, there has been no change in the Company's right of management. The Company has strengthened its corporate governance measures and established its Audit Committee in the hope of improving the overall protection of shareholders' rights and interests.

(XII) For litigious or non-litigious matters, material litigations, non-litigious matters, or administrative disputes with a confirmed indictment or ongoing of the Company, Directors, supervisors, President, substantial responsible person, major shareholders with over 10% shareholdings, and subordinates of the Company shall be specified; if the results may have material impacts on shareholders' rights and interests or securities prices, the fact of the dispute, target amount, starting day of the litigation, major parties involved, and the handling status as of the publication date of the annual report shall be specified

1. Results of litigations, non-litigious matters, or administrative disputes with a confirmed indictment or ongoing of the Company that may have material impacts on shareholders' rights and interests or securities prices: None.
2. Results of material litigations, non-litigious matters, or administrative disputes with a confirmed indictment or ongoing of the Directors, supervisors, President, substantial responsible person, major shareholders with over 10% shareholdings, and subordinates that may have material impacts on shareholders' rights and interests or securities prices:

(1) The litigation in which subsidiary Data Image (Suzhou) Corporation (the "Data Image (Suzhou)") shall jointly pay medical expenses (with a confirmed indictment)

Subsidiary Data Image (Suzhou) engaged Jiangsu New Industry Security Service Co., Ltd. (the "New Industry Security") to be responsible for the security work of its plant. The security Chang Chun is an employee of New Industry Security who is appointed to reside in Data Image (Suzhou) for the security work. On February 18, 2021, Chang Chun was sent to the hospital due to physical discomfort and was found to have mental disabilities due to cerebral hemorrhage and subarachnoid hemorrhage. His activity capacity related to daily life is severely limited, which constitutes a level 8 disability. New Industry Security and Data Image (Suzhou) were requested to jointly pay the medical expenses. On May 26, 2022, the Suzhou Industrial Park People's Court ruled in the first instance that New Industry Security shall pay RMB185,534.6 to Chang Chun, while Data Image (Suzhou) was not required to make any payment. New Industry Security had dissenting opinions on the judgment of the first instance court and filed an appeal to the Suzhou Intermediate People's Court on June 27, 2022, requesting to revoke the civil judgment made on May 26, 2022 and overrule the litigation request of appellant Chang Chun or change the judgment according to the law after checking the facts. On September 28, 2022, the Suzhou Intermediate People's Court of Jiangsu Province overruled the appeal of New Industry Security for the second instance and affirmed the compensation judgment of the first instance. The case was closed. Data Image (Suzhou) was not involved in the compensation. After the evaluation, there is no material impact on the Company's finance or business due to the case.

(2) The litigation related to damage compensation of subsidiary DIVA Laboratories, Ltd. (the "DIVA Laboratories")

DIVA Laboratories filed a lawsuit against its supplier, Commotech Electronics Corporation (the "Commotech Electronics") and Unisonic Technologies for to claim damages related to the defective chips in the amount of NT$8,487 thousand (including NT$520 thousand, US$77,338 thousand, and JPY12,394 thousand). On May 16, 2018, the Taipei District Court ruled that DIVA Laboratories was the losing party, and DIVA Laboratories had dissenting opinions and filed an appeal. On October 15, 2019, the High Court ruled that Unisonic Technologies shall pay a compensation of NT$4,391 thousand (including NT$119 thousand, US$74 thousand, and JPY9,239 thousand) to DIVA Laboratories, plus interest accrued at 5% per annum, and overruled the request of Commotech Electronics. Unisonic Technologies had dissenting opinions and filed an appeal. On December 10, 2020, the Supreme Court reversed the case to the High Court for remanding. The High Court announced the judgment on January 19, 2022. The High Court overruled the appeal of DIVA Laboratories, and DIVA Laboratories submitted another appeal to the Supreme Court. On July 27, 2022, the Supreme Court ruled in favor of DIVA Laboratories, and revoked the initial judgment of the High Court reversed the case to the High Court for remanding. After the preparatory procedures were conducted in the High Court on September 15, 2022, the court transferred the case to mediation. The parties involved completed mediation at the High Court on November 30, 2022. The supplier, Unisonic Technologies, had to pay NT$1,200 thousand to DIVA Laboratories. The amount was received on December 26, 2022, and was accounted for under other income. The case is closed. After the evaluation, there is no material impact on the Company's finance or business due to the case.

3. Any circumstances specified in Article 157 of the Securities and Exchange Act that occurred to the Directors, supervisors, managers, and major shareholders with over 10% of shareholdings in the most recent two years and up to the publication date of the annual report and measures adopted by the Company: None.

(XIII) Other material risks and countermeasures: None.

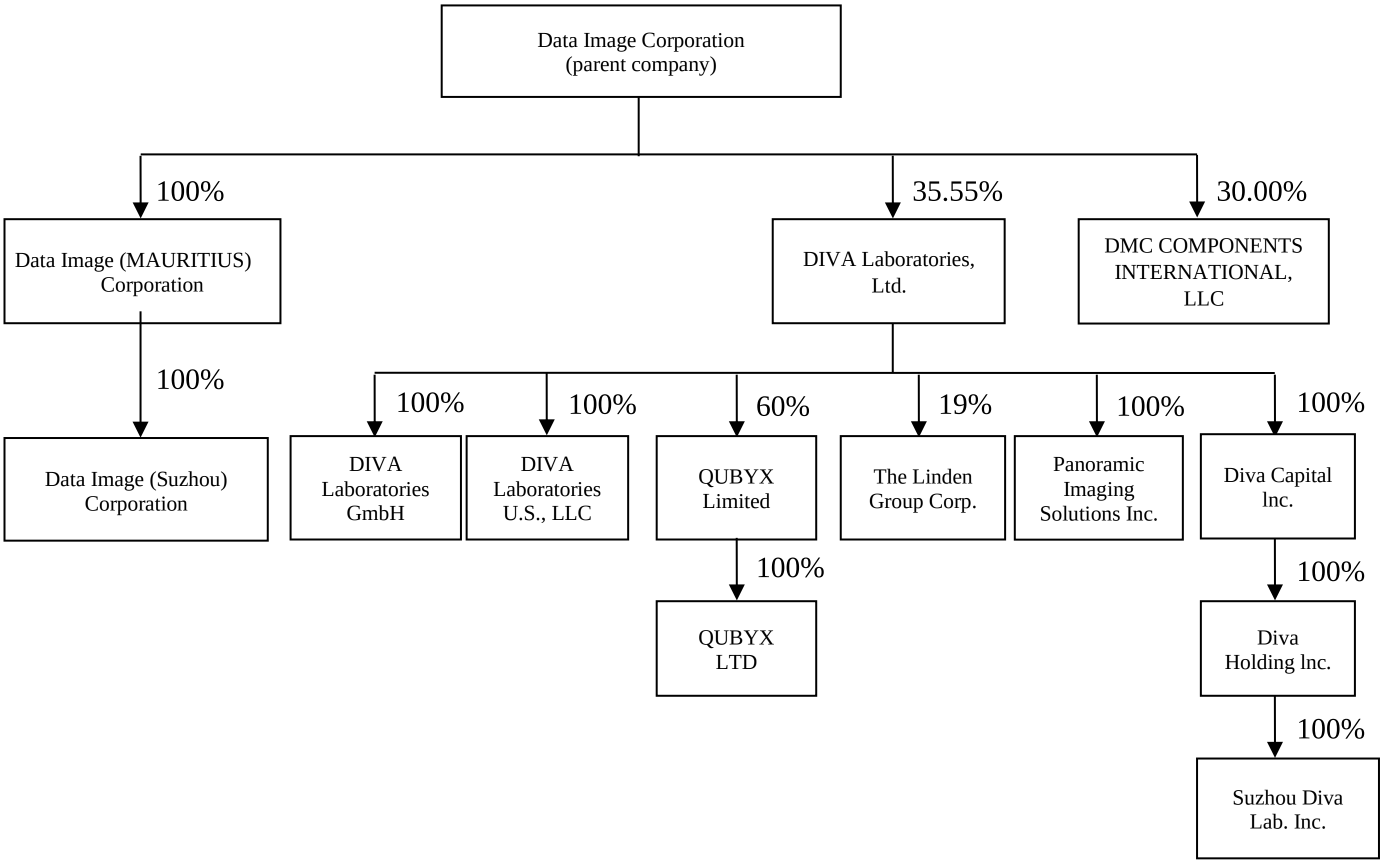
VII. Other material matters: None.

Eight. Special Disclosure

I. Information on affiliates

(I) Consolidated business report of affiliates

1. Organizational chart of affiliates



2. Basic information on affiliates

December 31, 2023; unit: NT$ thousands

Corporate name	Date of establishment	Address	Paid-in capital	Main scope of business or production items
Data Image (MAURITIUS) Corporation	January 4, 2006	C/O Genpro Consulting (Mauritius) Inc. Level 3, Alexander House 35, Cybercity Ebene, Mauritius	USD15,869	Investment
Data Image (Suzhou) Corporation	April 30, 2011	No. 205, Tangzhuang Rd., Suzhou Industrial Park, Suzhou City, Jiangsu Province	USD16,300	Manufacturing, processing, and sale of LCD touch modules and LCD modules
DIVA Laboratories, Ltd.	April 11, 1995	9F, No. 351, Sec. 2, Zhongshan Rd., Zhonghe Dist., New Taipei City	NTD617,591	Medical equipment manufacturing and sales
DMC COMPONENTS INTERNATIONAL, LLC	March 18, 1999	4202 Metric Dr, Winter Park, FL 32792, USA	USD1,000	Sales agency
DIVA Laboratories GmbH	August 5, 2013	Business-Park Raum E07,RomerstraBe39,78183 Hufingen, Germany	EUR 664	Sales of monitor
DIVA Laboratories U.S., LLC	July 15, 2013	20 Trafalgar Square Ste 418 Nashua, N.H.03063, USA	USD 1,150	Sales of monitor
Panoramic Imaging Solutions Inc.	January 22, 2013	9F-12, No. 351, Sec. 2, Zhongshan Rd., Zhonghe Dist., New Taipei City	NTD 25,000	Sales of monitor
Diva Capital Inc.	January 5, 2015	Level 2,Lotemau Centre,Vaea Street, Apia, Samoa	USD 1,745	Reinvestment
Diva Holding lnc.	January 8, 2015	Level 2,Lotemau Centre,Vaea Street, Apia, Samoa	USD 1,735	Reinvestment
Suzhou Diva Lab. Inc.	July 13, 2015	Room 201, Building 1, No. 205, Tangzhuang Rd., Suzhou Industrial Park	USD 1,725	Medical equipments wholesale, import and

Corporate name	Date of establishment	Address	Paid-in capital	Main scope of business or production items
				export business
The Linden Group Corp.	December 1, 2004	2B Wing Drive. Cedar Knolls NJ 07927 USA	USD 2,226	Sales of monitor

3. For companies that the Company is presumed to have a controlling and subordinate relationship, the information on the same shareholders: None.

4. The names of directors, supervisors, and presidents of affiliates, and their shareholdings or capital contributions to the enterprises

December 31, 2023; unit: share

Corporate name	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
Data Image (MAURITIUS) Corporation	Director	Data Image Corporation Representative: Yu Si-Ping	-	100.00%
Data Image (Suzhou) Corporation	Director	Data Image Corporation Representative: Yu Si-Ping	-	100.00%
DIVA Laboratories, Ltd.	Director	Data Image Corporation Representatives: Huang, Han-Chou Huang, Chen Kuo-Sen, Yu Si-Ping, Xue Dao-Long, and Lin Da-San	-	35.55%
DMC COMPONENTS INTERNATIONAL, LLC	Director	Representative: Michael P. Dathe	-	30.00%
DIVA Laboratories GmbH	Director	DIVA Laboratories, Ltd. Representative: Chen Guo-Sen	-	100.00%
DIVA Laboratories U.S., LLC	Director	DIVA Laboratories, Ltd. Representative: Chen Guo-Sen	-	100.00%
Panoramic Imaging Solutions Inc.	Director	DIVA Laboratories, Ltd. Representative: Chen Kuan-Hua	2,500,000	100.00%
Diva Capital Inc.	Director	DIVA Laboratories, Ltd. Representative: Chen Guo-Sen	-	100.00%
Diva Holding lnc.	Director	DIVA Laboratories, Ltd. Representative: Chen Guo-Sen	-	100.00%
Suzhou Diva Lab. Inc.	Director	DIVA Laboratories, Ltd. Representative: Chen Chih-An	-	100.00%
The Linden Group Corp.	Director	Representative: Kenneth Chen	-	19.00%

5. Business overview of affiliates

December 31, 2023; unit: thousand in foreign currencies and NTD

Corporate name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating income	Operating (loss) profit	(Loss) profit after tax	Earnings per share (NT$)
Data Image (MAURITIUS) Corporation	USD15,869	773,456	301,283	472,173	-	(311)	62,916	Not applicable
Data Image (Suzhou) Corporation	USD16,300	772,028	301,283	470,745	2,141,433	84,219	63,199	Not applicable
DIVA Laboratories, Ltd.	NTD617,591	1,243,733	210,931	1,032,802	893,844	92,152	73,617	1.25
DMC COMPONENTS INTERNATIONAL, LLC	USD1,000	13,017	2,485	10,532	55,355	72	3,653	Not applicable
DIVA Laboratories GmbH	EUR 664	1,252	73	1,179	-	(259)	(220)	Not applicable
DIVA Laboratories U.S., LLC	USD1,150	16,212	1,713	14,499	-	(12,643)	2,709	Not applicable
Panoramic Imaging Solutions Inc.	NTD 25,000	24,586	324	24,262	(234)	(2,156)	(1,510)	(0.60)
Diva Capital Inc.	USD 1,745	9,654	-	9,654	-	-	1,259	Not applicable
Diva Holding lnc.	USD 1,735	9,630	-	9,630	-	-	1,259	Not applicable
Suzhou Diva Lab. Inc.	USD 1,725	14,348	4,746	9,602	22,574	1,197	1,259	Not applicable
The Linden Group Corp.	USD 2,226	44,932	44,187	745	105,311	(35,849)	(37,661)	Not applicable

(II) Statement of Consolidated Financial Statements of Affiliates

Pursuant to the Regulations Governing the Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations, the entities of the Company that must be included in preparing the consolidated financial statements covering affiliated enterprises in 2023 (from January 1, 2023 to December 31, 2023) are entirely the same as those that IFRS 10, endorsed by the Financial Supervisory Commission, requires to be included in preparing the consolidated financial report comprising the parent and its subsidiaries, and if the required disclosures to be made in the consolidated financial statements covering affiliated enterprises are already made in the consolidated financial report comprising the parent and its subsidiaries, then the consolidated financial statements covering affiliated enterprises need not be prepared.

(III) Affiliation report: Not applicable.

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

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

IV. Other necessary supplementary disclosures: None.

Nine. Occurrences of events defined under subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and up to the publication date of the annual report that would materially affect shareholders' rights and interest or the securities prices: None.

Appendix 1

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Data Image Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Data Image Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Data Image Corporation
Han-Chou Huang
Chairman

March 1, 2024

Independent Auditors' Report

The Board of Directors and Shareholders
Data Image Corporation

Opinion

We have audited the accompanying consolidated financial statements of Data Image Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Data Image Corporation and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for the Opinion

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

Key Audit Matters

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

The key audit matter identified in Data Image Corporation and its subsidiaries consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Occurrence of operating income

Data Image Corporation and its subsidiaries are engaged in the design, manufacturing, and sales of LCD touch modules and LCD modules. As LCD touch modules and LCD module manufacturing customize products and make development according to different purposes and needs of customers, the sources of operating income are concentrated on specific customers. Although the operating income in 2023 decreased from the same period of last year, the operating income from specific customers increased from the same period last year, and the occurrence of the related sales transactions has a significant impact on the presentation of the consolidated financial statements; therefore, we include the occurrence of the abovementioned operating income from customers as a key audit matter.

Corresponding audit procedures

Our audit procedures for the key audit matters above include understanding the major internal control design and the effectiveness of implementation, and sampling and implementing relevant audits to ensure that the income transactions occurred.

Other matters

We have also audited the financial statements of Data Image Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing Data Image Corporation and its subsidiaries’ 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 Data Image Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Data Image Corporation and its subsidiaries 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 maintain professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Data Image Corporation and its subsidiaries internal control.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chuan Yeh and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 1, 2024

Notice to Readers

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

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

Data Image Corporation and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 947,955	29	$ 846,465	22
1110	Financial assets at fair value through profit or loss - Current (Note 7)	8,614	-	120	-
1150	Notes receivable (Notes 9 and 24)	-	-	410	-
1170	Accounts receivable (Notes 9 and 24)	541,553	17	705,075	18
1180	Accounts receivable from related parties (Notes 24 and 30)	5,903	-	144,433	4
1200	Other receivables (Note 9)	11,278	-	17,519	-
1210	Other receivables from related parties (Note 30)	2,857	-	4,668	-
1220	Current tax assets (Note 26)	238	-	2,413	-
130X	Inventories (Note 10)	601,759	18	947,618	24
1470	Other current assets (Notes 18 and 30)	17,492	1	26,662	1
11XX	Total current assets	2,137,649	65	2,695,383	69
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - Non-current (Note 8)	4,611	-	3,020	-
1550	Investments accounted for using the equity method (Note 12)	8,874	-	11,060	-
1600	Property, plant and equipment (Notes 13 and 30)	787,051	24	807,935	21
1755	Right-of-use assets (Notes 14 and 30)	30,137	1	29,197	1
1760	Investment property (Note 15)	-	-	15,496	1
1805	Goodwill (Note 16)	164,826	5	164,826	4
1821	Intangible assets (Note 17)	73,021	2	92,139	2
1840	Deferred tax assets (Note 26)	59,177	2	50,387	1
1975	Net defined benefit assets - Non-current (Note 22)	2,196	-	2,196	-
1990	Other non-current assets (Notes 18 and 30)	16,223	1	19,706	1
15XX	Total current assets	1,146,116	35	1,195,962	31
1XXX	Total assets	$ 3,283,765	100	$ 3,891,345	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 19)	$ 86,728	3	$ 88,114	2
2120	Financial liabilities at fair value through profit or loss - Current (Note 7)	-	-	2,233	-
2130	Contract liabilities - Current (Notes 24 and 30)	90,266	3	92,288	2
2150	Notes payable (Note 20)	307	-	214	-
2170	Accounts payable (Note 20)	366,621	11	566,814	15
2180	Accounts payable from related parties (Note 30)	21,791	1	44,907	1
2200	Other payables (Note 21)	204,170	6	242,933	6
2220	Other payables from related parties (Note 30)	19,432	1	17,426	1
2230	Current tax liabilities (Note 26)	84,564	3	124,653	3
2250	Provisions - Current	12,686	-	13,099	-
2280	Lease liabilities - Current (Notes 14 and 30)	12,637	-	10,700	-
2320	Long-term borrowings due within one year (Note 19)	-	-	26,667	1
2399	Other current liabilities	13,149	-	15,245	1
21XX	Total current liabilities	912,351	28	1,245,293	32
	Non-current liabilities				
2540	Long-term borrowings (Note 19)	-	-	193,333	5
2570	Deferred tax liabilities (Note 26)	46,066	2	50,100	1
2580	Lease liabilities – Non-current (Notes 14 and 30)	9,150	-	11,675	1
2640	Net defined benefit liabilities - Non-current (Note 22)	185	-	872	-
2645	Guarantee deposits received	464	-	471	-
2670	Other non-current liabilities (Note 12)	1,590	-	-	-
25XX	Total non-current liabilities	57,455	2	256,451	7
2XXX	Total liabilities	969,806	30	1,501,744	39
	Equity				
	Equity attributable to owners of the Company				
3110	Share capital	693,996	21	693,996	18
3200	Capital surplus	60,000	2	60,000	2
	Retained earnings				
3310	Legal reserve	137,054	4	94,830	2
3320	Special reserves	20,397	1	26,299	1
3350	Unappropriated earnings	598,919	18	703,329	18
3300	Total retained earnings	756,370	23	824,458	21
3400	Other equity	(26,854)	(1)	(20,397)	(1)
31XX	Total equity of owners of the Company	1,483,512	45	1,558,057	40
36XX	Non-controlling interests	830,447	25	831,544	21
3XXX	Total equity	2,313,959	70	2,389,601	61
	Total liabilities and equity	$ 3,283,765	100	$ 3,891,345	100

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

Data Image Corporation and Its Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
4000	Operating revenue (Notes 24 and 30)	$ 3,916,245	100	$ 4,921,698	100
5000	Operating cost (Notes 10, 17, 25, and 30)	2,986,378	76	3,823,760	77
5900	Gross profit	929,867	24	1,097,938	23
5910	Unrealized gain on transactions	-	-	(1,136)	-
5920	Realized gain on transactions	2,476	-	-	-
5950	Realized gross profit	932,343	24	1,096,802	23
	Operating expenses (Notes 17, 25, and 30)				
6100	Selling expenses	115,601	3	127,152	3
6200	General and administrative expenses	222,476	6	209,207	4
6300	Research and development expenses	191,557	5	194,968	4
6450	Expected credit loss(gain)	6,000	-	(1,366)	-
6000	Total operating expenses	535,634	14	529,961	11
6900	Operating income	396,709	10	566,841	12
	Non-operating income and expenses (Notes 25 and 30)				
7100	Interest income	8,388	-	1,615	-
7010	Other income	6,122	-	6,582	-
7020	Other gains and losses	(1,797)	-	2,765	-
7050	Financial cost	(5,485)	-	(10,104)	-
7060	Share of profit or loss of associates	(5,889)	-	2,407	-
7000	Total non-operating income and expenses	1,339	-	3,265	-
7900	Income before income tax	398,048	10	570,106	12
7950	Income tax expenses (Note 26)	83,547	2	124,700	3
8200	Net profit for the year	314,501	8	445,406	9

(Continued)

Data Image Corporation and Its Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
	Other comprehensive income (Notes 22, 23, and 26)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans	$ 164	-	$ 1,328	-
8316	Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	1,591	-	(1,276)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	(33)	-	(265)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	(7,055)	-	7,656	-
8300	Other comprehensive income (loss) for the year, net of income tax	(5,333)	-	7,443	-
8500	Total comprehensive income for the year	$ 309,168	8	$ 452,849	9
	Net profit attributable to:				
8610	Owners of the Company	$ 278,863	7	$ 421,865	9
8620	Non-controlling interests	35,638	1	23,541	-
8600		$ 314,501	8	$ 445,406	9
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 272,453	7	$ 428,145	9
8720	Non-controlling interests	36,715	1	24,704	-
8700		$ 309,168	8	$ 452,849	9
	Earnings per share (Note 27)				
9750	Basic earnings per share	$ 4.02		$ 6.08	
9850	Diluted earnings per share	$ 3.99		$ 5.99	

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

Data Image Corporation and Its Subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company									
				Retained earnings (Note 23)			Other equity items (Note 23)				
Code		Share capital (Note 23)	Capital surplus (Note 23)	Legal reserve	Special reserves	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized valuation gains or losses on financial assets at fair value through other comprehensive income	Total	Non-controlling interests (Note 23)	Total equity
A1	Balance on January 1, 2022	$ 693,996	$ 60,000	$ 63,533	$ 27,809	$ 519,072	($ 26,331)	$ 32	$ 1,338,111	$ 820,893	$ 2,159,004
A3	Effect of retrospective restatement	-	-	-	-	-	-	-	-	(63)	(63)
A5	Balance on January 1, 2022 (after retrospective restatement)	693,996	60,000	63,533	27,809	519,072	(26,331)	32	1,338,111	820,830	2,158,941
	Appropriation of 2021 earnings:										
B1	Legal reserve	-	-	31,297	-	(31,297)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(208,199)	-	-	(208,199)	-	(208,199)
		-	-	31,297	-	(239,496)	-	-	(208,199)	-	(208,199)
B17	Reversal of special reserves	-	-	-	(1,510)	1,510	-	-	-	-	-
T1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(13,990)	(13,990)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	421,865	-	-	421,865	23,541	445,406
D3	Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	378	6,355	(453)	6,280	1,163	7,443
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	422,243	6,355	(453)	428,145	24,704	452,849
Z1	Balance on December 31, 2022	693,996	60,000	94,830	26,299	703,329	(19,976)	(421)	1,558,057	831,544	2,389,601
	Appropriation of 2022 earnings:										
B1	Legal reserve	-	-	42,224	-	(42,224)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(346,998)	-	-	(346,998)	-	(346,998)
		-	-	42,224	-	(389,222)	-	-	(346,998)	-	(346,998)
B17	Reversal of special reserves	-	-	-	(5,902)	5,902	-	-	-	-	-
T1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	(37,812)	(37,812)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	278,863	-	-	278,863	35,638	314,501
D3	Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	47	(7,022)	565	(6,410)	1,077	(5,333)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	278,910	(7,022)	565	272,453	36,715	309,168
Z1	Balance on December 31, 2023	$ 693,996	$ 60,000	$ 137,054	$ 20,397	$ 598,919	($ 26,998)	$ 144	$ 1,483,512	$ 830,447	$ 2,313,959

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

Data Image Corporation and Its Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities		
A10000	Income before income tax	$ 398,048	$ 570,106
A20010	Adjustments for:		
A20100	Depreciation expenses	63,921	62,513
A20200	Amortization expenses	21,154	23,242
A20300	Expected credit loss (reversed) recognized	6,000	(1,366)
A20400	Net loss on on fair value changes of financial assets and liabilities at fair value through profit or loss	25,258	67,268
A20900	Finance cost	5,485	10,104
A21200	Interest income	(8,388)	(1,615)
A22300	Share of profit or loss of associates	5,889	(2,407)
A22500	Loss (gain) on disposal of property, plant and equipment	467	(184)
A23700	Asset impairment loss	-	24,092
A23800	Write-down of inventories	32,595	13,384
A23900	Unrealized gain on transactions with associates	-	1,136
A24000	Realized gain on transactions with associates	(2,476)	-
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	29,787	66,389
A31130	Notes receivable	410	(410)
A31150	Accounts receivable	164,844	247,199
A31160	Accounts receivable from related parties	129,677	(18,101)
A31180	Other receivables	7,894	2,537
A31190	Other receivables from related parties	1,811	(4,766)
A31200	Inventories	313,264	31,015
A31230	Prepayments	7,815	21,996
A31240	Other current assets	1,355	3,879
A32110	Financial liabilities at fair value through profit or loss	(65,772)	(130,324)
A32125	Contract liabilities - Current	(2,022)	51,938
A32130	Notes payable	93	(21)
A32150	Accounts payable	(200,193)	(219,827)
A32160	Accounts payable from related parties	(23,116)	(17,209)
A32180	Other payables	(35,868)	20,804

(Continued)

Data Image Corporation and Its Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
A32190	Other payables from related parties	$ 2,006	$ 8,942
A32200	Provisions	(413)	2,798
A32230	Other current liabilities	(2,096)	4,814
A32240	Net defined benefit liabilities	(522)	(492)
A33000	Cash generated from operations	876,907	837,434
A33100	Interest received	8,268	1,556
A33300	Interest paid	(5,569)	(10,661)
A33500	Income tax paid	(133,863)	(89,874)
AAAA	Net cash generated from operating activities	745,743	738,455
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(117)	(7,052)
B00050	Proceeds from sale of financial assets at amortized cost	117	7,770
B02700	Payments for property, plant and equipment	(25,017)	(25,708)
B02800	Proceeds from disposal of property, plant and equipment	495	5,441
B03700	Increase in refundable deposits	(1,255)	(3,099)
B03800	Decrease in refundable deposits	2,546	951
B04500	Payments for intangible assets	(2,065)	(4,255)
B06700	Increase in other non-current assets	-	(115)
B07600	Dividend received	-	3,844
BBBB	Net cash used in investing activities	(25,296)	(22,223)
	Cash flows from financing activities		
C00200	Repayments of short-term borrowings	(240,000)	(497,359)
C01600	Proceeds from long-term borrowings	240,000	220,000
C01700	Repayment of long-term borrowings	(220,000)	(100,000)
C04020	Repayment of the principal portion of lease liabilities	(10,838)	(10,052)
C04500	Dividends paid	(346,998)	(208,199)
C05800	Dividends paid to non-controlling interests	(37,812)	(13,990)
CCCC	Net cash used in financing activities	(615,648)	(609,600)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(3,309)	2,904
EEEE	Net increase in cash and cash equivalents	101,490	109,536
E00100	Cash and cash equivalents at the beginning of the year	846,465	736,929
E00200	Cash and cash equivalents at the end of the year	$ 947,955	$ 846,465

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

Data Image Corporation and Its Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. General information

Data Image Corporation (the "Company") was approved by the Ministry of Economic Affairs on November 22, 1997 for establishment. Its scope of business is the design, manufacturing, and sales of LCD touch modules and LCD modules.

The Company's shares were approved by Taipei Exchange in April 2004 to be traded on the Emerging Stock Market.

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

II. Date and procedure for approving the financial statements

These consolidated financial statements were approved by the Board on March 1, 2024.

III. Application of new and amended standards and interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not result in significant changes in the consolidated company's accounting policies and did not have a significant impact on the consolidated financial position and consolidated financial performance of the consolidated company.

(II) IFRS Accounting Standards approved by the FSC applicable in 2024

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classifying Debts 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 Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new/amended/revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: Partial disclosure requirements are exempted upon the initial application of the amendments.

As of the publication date of the consolidated financial statements, the consolidated company has assessed that the amendments to the above standards and interpretations have not caused a significant impact on its consolidated financial position and consolidated financial performance.

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

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Assets Sale or Contribution between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new/amended/revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendment is applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the consolidated company uses a non-functional currency as the presentation currency, it will affect the exchange differences of foreign operations under equity on the date of initial application.

As of the publication date of the consolidated financial statements, the consolidated company has continued to assess the impact of the amendments to the above standards and interpretations on its consolidated financial position and consolidated financial performance; relevant impacts will be disclosed upon the completion of the assessment.

IV. Summary of significant accounting policies

(I) Compliance statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(II) Basis of preparation

Except for financial instruments at fair value and net defined benefit assets and liabilities recognized at the current value of the defined benefit obligations less the fair value of plan assets, the consolidated financial statements are prepared on the basis of historical cost.

The fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 inputs: Refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

2. Level 2 inputs: Refer to inputs, other than quoted prices in Level 1, that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices) for the asset or liability.

3. Level 3 inputs: Refer to unobservable inputs for the asset or liability.

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

Current assets include:

1. Assets held mainly for the purpose of trading;

2. Assets expected to be realized within 12 months after the balance sheet date; and

3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Non-current liabilities include:

1. Liabilities held mainly for the purpose of trading;

2. Liabilities due to be settled within 12 months after the balance sheet date; and

3. Liabilities for which the settlement period cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

The consolidated financial statements include the consolidated company and the entities controlled by the consolidated company (subsidiaries). The operating profit or loss of the acquired subsidiary has been included in the consolidated statement of comprehensive income since the acquisition date. The financial statements of the subsidiaries have been appropriately adjusted to make their accounting policies consistent with the accounting policies used by the consolidated company. Transactions, balances and any gains or losses within the consolidated company have been eliminated when preparing the consolidated financial statements. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and the non-controlling interest, even if the non-controlling interest becomes a deficit balance.

Please refer to Note 11, Table 6 and Table 7 for details of subsidiaries, shareholding ratio and scope of business.

(V) Foreign currency

When each entity prepares its financial statements, transactions denominated in currencies other than the functional currency of the entity (foreign currency) are translated into functional currency in accordance with the exchange rates prevailing on the transaction date.

Monetary items denominated in foreign currencies are translated at the rates prevailing at the end of each reporting period. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the year in which they occur.

Non-monetary items in foreign currency measured at historical cost are translated at the exchange rate on the transaction date and will not be retranslated.

When preparing the consolidated financial statements, the assets and liabilities of the consolidated company's foreign operations (including subsidiaries and associates with the country of operation or currency used being different from the consolidated company's) are translated into NTD at the exchange rate prevailing on each balance sheet date. Gaines and expenses are translated at the average exchange rates for the year. The resulting exchange differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests, respectively.

(VI) Inventories

Inventories include raw materials, merchandise, finished goods, and work-in-progress. Inventories are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. The net realizable value refers to the balance of the estimated selling price under normal circumstances, less the estimated cost of completion and the estimated cost of sales. The cost of inventories is calculated by using the weighted average method.

(VII) Investment in associates

An associate is an enterprise in which the consolidated company has significant influence but is not a subsidiary or a joint venture.

The consolidated company adopts the equity method to account for its investment in associates.

Under the equity method, investments in associates are initially recognized at cost; subsequent to the acquisition date, the carrying amount increases/decreases in accordance with the share of the profit or loss and other comprehensive income of associates and profit distribution that the consolidated company is entitled to. In addition, the changes in the equity in the associates that the consolidated company is entitled to are recognized based on the shareholding ratio.

The amount of the acquisition cost exceeding the consolidated company's share of the net fair value of the identifiable assets and liabilities of the associates on the acquisition date is presented as goodwill. The goodwill is included in the carrying amount of the investment and shall not be amortized. The amount by which the consolidated company's share of the net fair worth of identifiable assets and liabilities of the associates on the acquisition date exceeds the acquisition cost is presented as profit or loss of the year.

When assessing impairments, the consolidated company treats the entire carrying amount (including goodwill) of the investment as a single asset for impairment test by comparing its recoverable amount and carrying amount. The impairment losses recognized are not allocated to any asset (including goodwill) that is a component of the carrying amount of the investment. Any reversal of the impairment loss shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

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

(VIII) Property, plant and equipment

Property, plant and equipment are stated at cost. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful lives. The consolidated company shall examine the estimated useful life, residual value and depreciation method at least once at the end of each year. Also, the impact of changes in the applicable accounting estimates shall be deferred.

When property, plant and equipment are derecognized, the difference between the net disposal consideration and the carrying amount of the asset is recognized in profit or loss for the year.

(IX) Investment property

An investment property refers to property that is held for earning rental, for asset appreciation or both (including compliance with the definition of an investment property and right-of-use assets). Investment property also includes land held for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction cost). Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment loss.

The investment property acquired through a lease is initially measured at cost (including the initial measurement of the lease liability). Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment loss, with the remeasurement of the lease liability adjusted.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal consideration and the carrying amount of the asset is recognized in profit or loss for the year.

(X) Goodwill

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

For the purpose of the impairment test, the goodwill acquired in a business merger is allocated to each cash-generating unit or cash-generating unit group (the "CGU") that is expected to benefit from the synergy of the merger.

A CGU with goodwill allocated is tested for impairment annually (or when there is an indication that the unit may be impaired) by comparing the carrying amount of the unit that comprises goodwill and its recoverable amount. If the goodwill allocated to a CGU is acquired through a business merger in the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit with goodwill allocated is less than its carrying amount, the carrying amount of the goodwill of the CGU will be reduced first for the impairment loss, and then the carrying amount of other assets in the unit will be reduced based on the ratio of the carrying amount of the respective asset. Any impairment loss is directly recognized as loss for the period. The impairment loss of goodwill may not be reversed in the subsequent period.

When disposing of a certain operation within the CGUs to which goodwill is allocated, the amount of goodwill related to the operation disposed of is included in the carrying amount of the operation to determine the disposal gain or loss.

(XI) Intangible assets

1. Acquired separately

Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the useful lives. The consolidated company shall examine the estimated useful life, residual value and depreciation method at least once at the end of each year. Also, the impact of changes in the applicable accounting estimates shall be deferred.

2. Acquired in a business merger

The intangible assets acquired in a business merger are recognized at the fair value on the acquisition date, the goodwill is recognized separately, and the subsequent measurement is the same as the intangible assets acquired separately.

3. Derecognition

When an intangible asset is derecognized, the difference between the net disposal consideration and the carrying amount of the asset is recognized in profit or loss for the year.

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

The consolidated company assesses at each balance sheet date whether there are any indications of possible impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets (excluding goodwill). If there is any indication of impairment, it estimates the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the consolidated company estimates the recoverable amount of the CGU to which the asset belongs. Common assets are allocated to the smallest CGU group on a consistent basis.

The recoverable amount is the fair value less the cost of sales and its value in use, whichever is higher. If the recoverable amount of an individual asset or CGU is lower than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount determined if the asset or CGU had not recognized impairment losses in prior years (less amortization or depreciation). Reversal of impairment loss is recognized in profit or loss.

(XIII) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the consolidated company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at the fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

(I) Financial assets

Conventional transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

The types of financial assets held by the consolidated company are financial assets measured at amortized cost, financial assets at fair value through profit or loss, and investments in equity instruments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated by the consolidated company to be measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, and the dividends and interest generated are recognized in other income and interest income, respectively, and gains or losses arising from remeasurement are recognized in other gains and losses. Please refer to Note 29 for the determination of fair value.

B. Financial assets at amortized cost

If the investment in financial assets of the consolidated company meets the following two conditions at the same time, it is classified as financial assets measured at amortized cost:

a. Held within a business model where the objective is to hold financial assets in order to collect contractual cash flows; and

b. The terms of the contract give rise to cash flows on a specific date, which are solely for the payment of the principal and interest on the principal amount outstanding.

After the initial recognition of financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other receivables, restricted bank deposits and refundable deposits), they are measured at the total carrying amount determined by using the effective interest method less any amortized cost of impairment losses, and any currency exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amounts of cash at any time with little risk of value changes within three months from the date of acquisition, and bonds with repurchase agreements, which are used to meet short-term cash commitments.

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

The consolidated company may, at initial recognition, make an irrevocable selection to designate investments in equity instruments that are not held for trading and are not contingent consideration recognized by an acquirer in a business merger to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value. Subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated gain or loss is directly transferred to the retained earnings and will not be reclassified as profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the consolidated company's right to receive payment is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

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

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECL. For other financial assets, we first assess whether there has been a significant increase in credit risk since the initial recognition. If there is no significant increase in the credit risk, the allowance for loss is recognized at an amount equal to 12-month ECLs. If there is a significant increase, it is recognized loss allowance at an amount equal to the lifetime ECL.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month ECL represents the expected credit loss generated by the possible default of the financial instrument within 12 months after the reporting date, and the lifetime ECL represents the expected credit loss generated by all possible defaults of the financial instrument during the expected lifetime of the financial instrument.

The impairment loss of all financial assets is based on the reduction of the carrying amount through the allowance account.

(3) Derecognition of financial assets

The consolidated company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset are expired or transferred or when nearly all risks and rewards of ownership of the asset are transferred to another enterprise.

On the derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in an equity instrument at fair value through other comprehensive income are derecognized entirely, the accumulated gain or loss is directly transferred to retained earnings and will not be reclassified as profit or loss.

(II) Equity instruments

The equity instruments issued by the consolidated company are recognized at the acquisition consideration less direct issuance costs.

(III) Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses.

(2) Derecognition of financial liabilities

When derecognizing a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

4. Derivatives

The consolidated company entered into derivatives, including forward exchange contracts and foreign exchange swap contracts, to manage the consolidated company's exchange rate risk.

Derivatives are initially recognized at fair value when a derivative contract is entered into and are subsequently remeasured at fair value on the balance sheet date, with the gain or loss arising from subsequent measurements recognized directly in profit or loss. When the fair value of a derivative financial instrument is positive, the derivative is classified as a financial asset; when the fair value of the derivative is negative, it is classified as a financial liability.

(XIV) Provisions

The amount recognized as provisions takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. Provisions is measured based on the estimated cash flow to settle the present obligation.

The warranty obligation to ensure that the product conforms to the agreed specifications is based on the management's best estimate of the expenditure required to settle the consolidated company's obligation and is recognized upon the income recognition of relevant products.

(XV) Revenue recognition

After the consolidated company identifies the performance obligation in the customer contract, the transaction price is allocated to each performance obligation, and revenue is recognized when each performance obligation is satisfied.

1. Sale of goods

The consolidated company recognizes revenue when the control over the product is transferred. That is, when the product arrives at the customer's designated location, the customer is entitled to set the price and use the product, bears the main responsibility for resale, and assumes the obsolescence risk; the consolidated company recognizes revenue and accounts receivable at that time point.

For processing without imported materials, the control of the ownership of the processed products has not been transferred; therefore, materials are not recognized as revenue.

2. Provision of services

Service revenue is the provision of product processing services; that is, it is recognized when the processed products arrive at the designated location of the customer.

(XVI) Leases

The consolidated company assesses whether the contract is (or contains) a lease on the date of establishment of the contract.

1. The consolidated company as the lessor

All leases are classified as operating leases.

Under operating leases, lease payments less lease incentives are recognized as gains on a straight-line basis over the relevant lease term.

2. The consolidated company as the lessee

Except for low-value asset leases and short-term leases to which a recognition exemption applies, for which lease payments are recognized as expenses on a straight-line basis over the lease terms, right-of-use assets and lease liabilities are recognized for other leases on the lease commencement date.

The right-of-use assets are initially measured at cost (including the initially measured amount of the lease liabilities) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss, and adjusted for the remeasured amount of the lease liability. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liabilities are measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If there is a change in future lease payments during the lease term, the consolidated company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount shall be recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XVII) Borrowing costs

All borrowing costs are recognized as profit or loss during the year of occurrence.

(XVIII) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Retirement benefits

For the pension under the defined contribution plan, the amount of pension to be contributed is recognized as expenses during the service period of the employees.

The defined benefit cost of the defined benefit pension plan (including service cost, net interest and remeasurement) is actuated using the projected unit benefit method. Service cost and net interest of net defined benefit liabilities (assets) are recognized as employee benefit expenses as they occur. Remeasurement (including actuarial gains and losses and the return on plan assets, net of interest) is recognized in other comprehensive income at the time of occurrence and included in retained earnings, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the appropriation deficit (surplus) of the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XIX) Taxation

Income tax expenses represent the sum of current tax and deferred tax.

1. Current tax

The consolidated company determines the income (loss) of the current period in accordance with the regulations of each jurisdiction for income tax filings and calculates the income taxes payable (recoverable) accordingly.

In accordance with the Income Tax Act of the R.O.C., an additional tax on unappropriated earnings is recognized in the year when a resolution is adopted at a shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in the current tax.

2. Deferred tax

Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

Deferred tax liabilities are generally recognized based on all taxable temporary differences. Deferred tax assets are generally recognized when it is probable that taxable income will be available to deduct the temporary differences.

The taxable temporary differences related to the investment in subsidiaries and associates are recognized as deferred tax liabilities. However, if the consolidated company can control the time point of the temporary difference reversal, and the temporary difference is likely to be reversed in the foreseeable future, excluding those that will not be reversed. The deductible temporary difference related to such investment is recognized as deferred tax assets only when it is probable that there will be sufficient taxable income to realize the temporary difference, and it is expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date, and the carrying amount is reduced if it is no longer probable that sufficient taxable income will be available to allow all or part of the recovery of the assets. For those not recognized as deferred tax assets initially, they are also being reviewed at each balance sheet date, and the carrying amount is increased if it is probable that taxable income will be available to allow all or part of the recovery of the assets.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized based on tax rates and tax laws that have been substantially enacted on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would arise from the manner in which the consolidated company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax for the year

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

If the current tax or deferred tax arises from the acquisition of a subsidiary, the income tax effect is included in the accounting treatment of the investment in the subsidiary.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When adopting accounting policies, the consolidated company's management shall make judgments, estimates and assumptions that are based on historical experiences and other factors that are not readily available from other sources. Actual results may differ from estimates. The management will continue to review the estimates and basic assumptions.
The accounting policies, estimates and basic assumptions adopted by the consolidated company have been evaluated by the management of the consolidated company, and there are no significant accounting judgment, estimate and assumption uncertainties.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 226	$ 118
Checking accounts and demand deposits	514,529	589,615
Cash equivalents		
Time deposits	433,200	256,732
	$ 947,955	$ 846,465

The interest rate ranges of time deposits on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Time deposits	0.53%～1.25%	0.09%～1.00%

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets - Current		
Financial assets mandatorily measured as at fair value through profit or loss		
Derivative instruments (not under hedge accounting)		
Foreign exchange swap contract (I)	$ 8,614	$ 79
Foreign currency forward contracts (II)	-	41
	$ 8,614	$ 120
Financial liabilities - Current		
Held for trading		
Derivatives instruments (not under hedge accounting)		
Foreign exchange swap contract (I)	$ -	$ 1,949
Foreign currency forward contracts (II)	-	284
	$ -	$ 2,233

(I) The foreign exchange swap contracts not subject to hedge accounting and not yet due on the balance sheet date are as follows:

December 31, 2023

	Currency	Maturity Date	Contract Amount (In Thousands)
Sell	USD/NTD	2024.01.03~2024.01.30	USD14,350/NTD 448,510

December 31, 2022

	Currency	Maturity Date	Contract Amount (In Thousands)
Sell	USD/NTD	2023.01.03~2023.01.30	USD24,520/NTD750,748

The purpose of the consolidated company's forward exchange contracts is to avoid the risks of assets and liabilities denominated in foreign currencies due to exchange rate fluctuations.

(II) The foreign currency forward contracts not subject to hedge accounting and not yet due on the balance sheet date are as follows:

December 31, 2022

	Currency	Expiry date	Contract Amount (In Thousands)
Sell	USD/RMB	2023.01.09~2023.01.19	USD5,500/RMB38,313

The purpose of the consolidated company's forward exchange transactions is to avoid the risks of assets and liabilities denominated in foreign currencies due to exchange rate fluctuations.

VIII. Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Non-current		
Investments in equity instruments		
Domestic unlisted stocks	$ 4,611	$ 3,020

The ordinary shares of Insight Genomics Inc. and Renown Information Technology Corp. are held for medium- to long-term strategic purposes Accordingly, the management elected to designate these investments at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

IX. Notes receivable, accounts receivable and other receivables

	December 31, 2023	December 31, 2022
Notes receivable		
operating	$ -	$ 410
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 544,087	$ 708,931
Less: Loss allowance	(2,534)	(3,856)
	$ 541,553	$ 705,075
Other receivables		
Business tax refunds receivable	$ 7,197	$ 8,377
Others	4,081	11,260
	11,278	19,637
Less: Loss allowance	-	(2,118)
	$ 11,278	$ 17,519

(I) Accounts receivable

The consolidated company's average credit period for sales is upon shipment or O/A 30 to 160 days. No interest is accrued on accounts receivable. The consolidated company shall consider the changes in the credit quality from the initial credit date to the balance sheet date. The consolidated company will use publicly available financial information and historical transaction records to rate new customers and major customers, respectively. The consolidated company continuously monitors the credit exposure and the credit rating of the counterparties and manages the exposure through second reviews and the approval of credit limits for counterparties.

The consolidated company recognizes the loss allowance for accounts receivable based on the lifetime ECL. The lifetime ECLs are calculated using an allowance matrix, which takes into account the customer's past default history and current financial position. As the consolidated company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups and only sets the ECL rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the consolidated company cannot reasonably expect to recover the amount, the consolidated company will directly write off the relevant accounts receivable; however, it will continue to collect the receivables. The amount recovered through collection is recognized in profit or loss.

The consolidated company's loss allowance on accounts receivable measured based on the allowance matrix is as follows:

December 31, 2023

	Counterparty without Sign of Default		Counterparty with Sign of Default	Total
	Not Past Due	Overdue 1 to 90 Days		
Expected credit loss rate	0.0%～0.5%	0.0%～0.5%	100.0%	
Gross carrying amount	$ 485,616	$ 57,641	$ 830	$ 544,087
Loss allowance (Lifetime ECLs)	(1,474)	(230)	(830)	(2,534)
Amortized cost	$ 484,142	$ 57,411	$ -	$ 541,553

December 31, 2022

	Counterparty without Sign of Default			Counterparty with Sign of Default	Total
	Not Past Due	Overdue for 1 to 90 Days	Overdue for 90 to 180 Days		
Expected credit loss rate	0.00%～0.94%	0.00%～1.59%	0.50%～100.00%	100.00%	
Gross carrying amount	$ 675,599	$ 30,865	$ 1,606	$ 861	$ 708,931
Loss allowance (Lifetime ECL)	(2,448)	(171)	(376)	(861)	(3,856)
Amortized cost	$ 673,151	$ 30,694	$ 1,230	$ -	$ 705,075

Information on changes in the loss allowance for accounts receivable is as follows:

	2023	2022
Balance at January 1	$ 3,856	$ 7,296
Add: Impairment loss recognized during the year	-	525
Less: Impairment loss reversed during the year	(1,310)	(1,891)
Less: Reclassified to impairment losses of other receivables	-	(2,162)
Foreign exchange gains and losses	(12)	88
Balance at December 31	$ 2,534	$ 3,856

(II) Other receivables – Others

When determining the recoverability of other receivables, the consolidated company measures the loss allowance for other receivables based on the possibility of the recovery of the accounts. After assessing the operating status and the possibility of the recovery of the accounts, it provides loss allowances for accounts not recoverable. Information on changes in the loss allowance for other receivables is as follows:

	2023	2022
Balance at January 1	$ 2,118	$ -
Add: Impairment loss reclassified from accounts receivable	-	2,162
Less: Impairment loss reversed during the year	(1,543)	-
Less: Amounts written off during the year	(585)	-
Foreign exchange gains and losses	10	(44)
Balance at December 31	$ -	$ 2,118

X. Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 314,472	$ 496,794
Work in process	130,486	196,656
Finished goods	116,258	227,996
Merchandise	40,543	26,172
	$ 601,759	$ 947,618

The nature of cost of goods sold is as follows:

	2023	2022
Cost of inventories sold	$ 2,944,613	$ 3,794,705
Inventory write-downs	32,595	13,384
Inventory scrapping losses	9,170	15,671
	$ 2,986,378	$ 3,823,760

XI. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements are as follows, and there is no subsidiary not included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership December 31, 2023	Proportion of Ownership December 31, 2022	Remark
The Company	Data Image (MAURITIUS) Corporation	Investment	100.00%	100.00%	
The Company	DIVA Laboratories, Ltd.	Medical equipment manufacturing and sales	35.55%	35.55%	1 and 2
DIVA Laboratories, Ltd.	DIVA Laboratories U.S., LLC.	Sales of monitor	100.00%	100.00%	
	DIVA Laboratories GmbH	Sales of monitor	100.00%	100.00%	
	Panoramic Imaging Solutions Inc.	Sales of monitor	100.00%	100.00%	3
	Diva Capital Inc.	Reinvestment	100.00%	100.00%	
Diva Capital Inc.	Diva Holding Inc.	Reinvestment	100.00%	100.00%	
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	100.00%	100.00%	
Data Image (MAURITIUS) Corporation	Data Image (Suzhou) Corporation	Manufacturing, processing, and sale of LCD touch modules and LCD modules	100.00%	100.00%	

1. The Company holds 35.55% of the equity and controls more than half of the directors of DIVA Laboratories, Ltd.. It is considered that the Company has the substantial ability to lead its relevant activities; therefore, it is included as a subsidiary.

2. A subsidiary with significant non-controlling interests.

3. On March 2, 2023, the Board resolved to dissolve DIVA Laboratories, Ltd. and liquidate the subsidiary - Panoramic Imaging Solutions Inc.; as of March 1, 2024, the liquidation has not been completed.

(II) Information on subsidiaries with material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2023	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2022
DIVA Laboratories, Ltd.	New Taipei City	64.45%	64.45%

Name of Subsidiary	Profit (loss) allocated to non-controlling interests For the year ended December 31, 2023	Profit (loss) allocated to non-controlling interests For the year ended December 31, 2022	Non-controlling interests December 31, 2023	Non-controlling interests December 31, 2022
DIVA Laboratories, Ltd.	$ 35,638	$ 23,541	$ 830,447	$ 831,544

The aggregate financial information of the subsidiaries below is based on the amount before writing off the intercompany transactions:

	December 31, 2023	December 31, 2022
Current assets	$ 956,405	$ 976,386
Non-current assets	747,780	758,767
Current liabilities	(203,309)	(234,591)
Non-current liabilities	(47,555)	(45,539)
Equity	$ 1,453,321	$ 1,455,023
Equity attributable to:		
Owners of the Company	$ 622,874	$ 623,479
Non-controlling interests	830,447	831,544
	$ 1,453,321	$ 1,455,023

	2023	2022
Operating revenue	$ 893,844	$ 949,204
Net profit for the period	$ 55,295	$ 36,525
Other comprehensive income	1,671	1,806
Total comprehensive income	$ 56,966	$ 38,331
Net profit attributable to:		
Owners of the Company	$ 19,657	$ 12,984
Non-controlling interests	35,638	23,541
	$ 55,295	$ 36,525
Total comprehensive income attributable to:		
Owners of the Company	$ 20,251	$ 13,627
Non-controlling interests	36,715	24,704
	$ 56,966	$ 38,331
Cash flow		
Operating activities	$ 252,913	$ 73,187
Investing activities	(3,204)	(5,046)
Financing activities	(59,127)	(22,036)
Effect of exchange rate changes on cash and cash equivalents	(23)	986
Net cash inflow	$ 190,559	$ 47,091
Dividends paid to non-controlling interests	$ 37,812	$ 13,990

XII. Investment accounted for using the equity method

Investment in associates

	December 31, 2023	December 31, 2022
Associates that are not individually material		
DMC Components International, LLC	$ 8,874	$ 7,757
The Linden Group Corp.	(1,590)	3,303
Add: Credit balance of investment accounted for using the equity method transferred to other non-current liabilities	1,590	-
	-	3,303
Qubyx Limited	-	-
	$ 8,874	$ 11,060

Associates that are not individually material

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2023	Proportion of Ownership and Voting Rights December 31, 2022
DMC Components International, LLC	Sales agency	Orlando, USA	30%	30%
The Linden Group Corp.	Sales of monitor	USA	19%	19%
Qubyx Limited	sales and Software design	United Kingdom	-	-

The recoverable amount of The Linden Group Corp. recognized by the consolidated company by using the equity method was less than its carrying amount of the investment due to the expected decrease in overall future cash inflows in 2022. The recoverable amount of The Linden Group Corp. was calculated based on the value-in-use, and the depreciation rate adopted was 12.11% to 12.35%; impairment losses of $22,715 thousand were recognized in 2022 (presented as other gains and losses). As of December 31, 2023, the consolidated company had accumulated impairment losses of$25,787 thousand.

The shareholding ratio of DIVA Laboratories, Ltd. in The Linden Group Corp. is less than 20%; however, DIVA Laboratories, Ltd. has material related-party transactions with the company and has material influence on the company.

Marc Leppla, the former responsible person of QUBYX Limited, has filed a bankruptcy petition for QUBYX Limited to the court. DIVA Laboratories, Ltd. received the bankruptcy liquidation notice documents on July 3, 2020, obtained the liquidation report and completed the liquidation on November 2, 2023.

Aggregate information of associates that are not individually material

	2023	2022
Share the Company is entitled to		
Net (loss) profit for the year	($ 5,889)	$ 2,407
Other comprehensive income of the year	92	1,677
Total comprehensive income for the year	($ 5,797)	$ 4,084

XIII. Property, plant and equipment

	Land	Buildings	Machinery	Other Equipment	Total
Cost					
Balance at January 1, 2023	$ 280,641	$ 621,656	$ 347,532	$ 120,257	$ 1,370,086
Additions	-	-	14,427	9,965	24,392
Disposals/derecognitions	-	-	(7,373)	(8,235)	(15,608)
Reclassification	-	24,220	-	-	24,220
Effects of foreign currency exchange differences	-	(6,573)	(4,511)	(775)	(11,859)
Balance at December 31, 2023	$ 280,641	$ 639,303	$ 350,075	$ 121,212	$ 1,391,231
Accumulated depreciation					
Balance at January 1, 2023	$ -	$ 215,023	$ 271,874	$ 75,254	$ 562,151
Depreciation expenses	-	20,448	14,763	17,123	52,334
Disposals/derecognitions	-	-	(6,856)	(7,790)	(14,646)
Reclassification	-	11,359	-	-	11,359
Effects of foreign currency exchange differences	-	(2,984)	(3,540)	(494)	(7,018)
Balance at December 31, 2023	$ -	$ 243,846	$ 276,241	$ 84,093	$ 604,180
Carrying amount at December 31, 2023	$ 280,641	$ 395,457	$ 73,834	$ 37,119	$ 787,051
Cost					
Balance at January 1, 2022	$ 280,641	$ 615,936	$ 334,105	$ 121,304	$ 1,351,986
Additions	-	-	18,929	8,911	27,840
Disposals/derecognitions	-	-	(9,231)	(10,563)	(19,794)
Effects of foreign currency exchange differences	-	5,720	3,729	605	10,054
Balance at December 31, 2022	$ 280,641	$ 621,656	$ 347,532	$ 120,257	$ 1,370,086
Accumulated depreciation					
Balance at January 1, 2022	$ -	$ 192,269	$ 259,340	$ 68,211	$ 519,820
Depreciation expenses	-	20,512	14,105	16,798	51,415
Disposals/derecognitions	-	-	(4,473)	(10,064)	(14,537)
Effects of foreign currency exchange differences	-	2,242	2,902	309	5,453
Balance at December 31, 2022	$ -	$ 215,023	$ 271,874	$ 75,254	$ 562,151
Carrying amount at December 31, 2022	$ 280,641	$ 406,633	$ 75,658	$ 45,003	$ 807,935

Depreciation expenses are provided for on a straight-line basis based on the following useful lives:

Buildings	30 to 35 years
Machinery	2 to 10 years
Other equipment	2 to 10 years

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land	$ 9,404	$ 8,191
Buildings	14,562	15,540
Transportation equipment	6,021	5,188
Office equipment	150	278
	$ 30,137	$ 29,197

	2023	2022
Additions of right-of-use assets	$ 10,250	$ 3,987
Depreciation expenses of right-of-use assets		
Land	$ 270	$ 271
Buildings	8,330	8,330
Transportation equipment	2,065	1,570
Office equipment	128	129
	$ 10,793	$ 10,300

Except for the additions and depreciation expenses recognized listed above, the consolidated company did not have any significant sublease or impairment of the right-of-use assets for the years ended December 31, 2023 and 2022.

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 12,637	$ 10,700
Non-current	$ 9,150	$ 11,675

The range of discount rates for lease liabilities is as follows:

	2023	2022
Buildings	1.350%～2.023%	1.350%～1.450%
Transportation equipment	1.300%～2.150%	1.300%～1.500%
Office equipment	1.090%	1.090%

(III) Other lease information

	2023	2022
Expenses relating to short-term leases	$ 4,880	$ 6,807
Expenses relating to low-value asset leases	$ 963	$ 738
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 413	$ 571
Total cash outflow for leases	($ 17,321)	($ 17,822)

The consolidated company has elected to apply the recognition exemption for other equipment leases that qualify as short-term leases and low-value asset leases to not recognize the related right-of-use assets and lease liabilities for such leases.

XV. Investment property

	Buildings	Right-of-Use Assets	Total
Cost			
Balance at January 1, 2023	$ 24,607	$ 1,913	$ 26,520
Reclassification	(24,220)	(1,883)	(26,103)
Effects of foreign currency exchange differences	(387)	(30)	(417)
Balance at December 31, 2023	$ -	$ -	$ -
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ 10,800	$ 224	$ 11,024
Depreciation expenses	738	56	794
Reclassification	(11,359)	(275)	(11,634)
Effects of foreign currency exchange differences	(179)	(5)	(184)
Balance at December 31, 2023	$ -	$ -	$ -
Carrying amount at December 31, 2023	$ -	$ -	$ -
Cost			
Balance at January 1, 2022	$ 24,270	$ 1,887	$ 26,157
Effects of foreign currency exchange differences	337	26	363
Balance at December 31, 2022	$ 24,607	$ 1,913	$ 26,520

(Continued)

	Buildings	Right-of-Use Assets	Total
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ 9,923	$ 165	$ 10,088
Depreciation expenses	742	56	798
Effects of foreign currency exchange differences	135	3	138
Balance at December 31, 2022	$ 10,800	$ 224	$ 11,024
Carrying amount at December 31, 2022	$ 13,807	$ 1,689	$ 15,496

The right-of-use assets in the investment property are the land located in China that the consolidated company subleases in the form of operating leases.

The total lease payments to be received in the future for leasing out investment properties under operating leases are as follows:

	December 31, 2023	December 31, 2022
Less than 1 year	$ -	$ 4,503
1 to 3 years	-	1,823
	$ -	$ 6,326

Investment properties are provided for on a straight-line basis based on the following useful lives:

Buildings	30 years
Right-of-use assets	50 years

The fair value of the consolidated company's investment property as of December 31, 2022 was $33,444 thousand (RMB 7,591 thousand); the fair value was based on the appraisal conducted by Savills Appraiser on those dates as the basis.

XVI. Goodwill

	2023	2022
Balance at January 1 and December 31	$ 164,826	$ 164,826

The consolidated company recorded a goodwill of $164,826 thousand generated from the acquisition of DIVA Laboratories, Ltd. on October 27, 2021.

The consolidated company obtained the appraisal report in 2022. According to the report, the fair value of the intangible assets and deferred tax liabilities of subsidiary DIVA Laboratories, Ltd. was $109,537 thousand and $49,864 thousand on the acquisition date; the consolidated company has adjusted the provisional amount since the acquisition date and restated the comparative information.

The adjusted increase (decrease) of relevant items in the balance sheet is as follows:

	Acquisition Date
Intangible assets	($ 123)
Goodwill adjustment	$ 36
Deferred tax liabilities	($ 24)
Non-controlling interests	($ 63)

XVII. Intangible assets

	Patents	Computer Software	Total
Cost			
Balance at January 1, 2023	$ 114,508	$ 52,567	$ 167,075
Additions	-	2,065	2,065
Derecognitions	-	(10,473)	(10,473)
Effects of foreign currency exchange differences	-	(75)	(75)
Balance at December 31, 2023	$ 114,508	$ 44,084	$ 158,592
Accumulated amortization and impairment			
Balance at January 1, 2023	$ 30,217	$ 44,719	$ 74,936
Amortization expenses	17,440	3,714	21,154
Derecognitions	-	(10,473)	(10,473)
Effects of foreign currency exchange differences	-	(46)	(46)
Balance at December 31, 2023	$ 47,657	$ 37,914	$ 85,571
Carrying amount at December 31, 2023	$ 66,851	$ 6,170	$ 73,021
Cost			
Balance at January 1, 2022	$ 114,508	$ 48,052	$ 162,560
Additions	-	4,255	4,255
Derecognitions	-	(85)	(85)
Effects of foreign currency exchange differences	-	345	345
Balance at December 31, 2022	$ 114,508	$ 52,567	$ 167,075
Accumulated amortization and impairment			
Balance at January 1, 2022	$ 10,342	$ 40,042	$ 50,384
Amortization expenses	18,498	4,744	23,242
Derecognitions	-	(85)	(85)
Impairment loss recognized	1,377	-	1,377
Effects of foreign currency exchange differences	-	18	18
Balance at December 31, 2022	$ 30,217	$ 44,719	$ 74,936
Carrying amount at December 31, 2022	$ 84,291	$ 7,848	$ 92,139

Amortization expenses are provided for on a straight-line basis based on the following useful lives:

Patents	5 to 10 years
Computer software	3 to 5 years

Summary of amortization expenses by function:

	2023	2022
Manufacturing expenses	$ 13,635	$ 13,633
Selling and marketing expenses	697	697
General and administrative expenses	3,418	4,879
Research and development expenses	3,404	4,033
	$ 21,154	$ 23,242

XVIII. Other assets

	December 31, 2023	December 31, 2022
Current		
Prepayments	$ 16,433	$ 24,248
Others	1,059	2,414
	$ 17,492	$ 26,662
Non-current		
Refundable deposits	$ 6,581	$ 7,878
Prepayment for equipment	4,417	6,603
Others	5,225	5,225
	$ 16,223	$ 19,706

For the amount of other non-current assets pledged as collateral, please refer to Note 31.

XIX. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Credit borrowings	$ 86,728	$ 88,114

The interest rate range is as follows:

	December 31, 2023	December 31, 2022
Credit borrowings	3.35%～3.60%	3.55%～3.60%

(II) Long-term borrowings

	December 31, 2023	December 31, 2022
Credit borrowings	$ -	$ 220,000
Less: Current portion	-	(26,667)
	$ -	$ 193,333

The interest rate range is as follows:

	December 31, 2023	December 31, 2022
Credit borrowings	-	1.65%～1.87%

The Company borrowed $100,000 thousand from Shin Kong Bank in March 2022, and it commenced to repay the principal of $16,667 thousand on a quarterly basis for six installments in December 2023. The Company has fully settled in advance in the first quarter of 2023.

The Company borrowed $10,000 thousand and $70,000 thousand from Yuanta Commercial Bank in July and August 2022, and it commenced to repay the principal on a quarterly basis for four installments in October 2023; the first three installments repay $10,000 thousand principal, and the remaining repaid in the fourth installment. The Company has fully settled in advance in the second quarter of 2023.

The Company borrowed $40,000 thousand from E.Sun Commercial Bank in November 2022, and it commenced to repay the principal of $2,222 thousand on a monthly basis for 18 installments in June 2024. The Company has fully settled in advance in the second quarter of 2023.

XX. Notes payable and accounts payable

	December 31, 2023	December 31, 2022
Notes payable		
Operating	$ 307	$ 214
Accounts payable		
Operating	$ 366,621	$ 566,814

XXI. Other payables

	December 31, 2023	December 31, 2022
Payables for salaries or bonuses	$ 81,764	$ 90,629
Remunerations of employee	35,437	43,571
Payables for processing fees	12,264	20,139
Payables for annual leave	11,694	12,337
Payables for professional service fees	7,853	8,955
Remunerations of directors	3,410	4,668
Payables for taxes	2,287	6,385
Others	49,461	56,249
	$ 204,170	$ 242,933

XXII. Retirement benefit plan

(I) Defined contribution plan

The pension system under the "Labor Pension Act" applicable to the Company, DIVA Laboratories, Ltd., and Panoramic Imaging Solutions Inc. of the consolidated company is a state-managed defined contribution pension plan. 6% of the monthly salary of employees is appropriated to the personal account at the Bureau of Labor Insurance.

The employees of the consolidated company's subsidiaries in China are members of the pension benefit plan managed by the Chinese government. The overseas subsidiaries are subject to the local pension regulations. Such subsidiaries are required to appropriate a specific percentage of the salary cost to the pension benefit plan to provide funds for the plan. The obligation of the consolidated company for the pension plan managed by the government is only to appropriate a specific amount.

(II) Defined benefit plan

The pension system adopted by the consolidated company and DIVA Laboratories, Ltd. in accordance with the "Labor Standards Act" in Taiwan is a state-managed defined benefit pension plan. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The consolidated company appropriates 2% to 5% of the total monthly salary of employees as the pension fund, which is deposited by the Labor Pension Reserve Supervisory Committee in the name of the committee in the bank at the Bank of Taiwan. Before the end of the year, if it is estimated that the balance in the account is not sufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be appropriated in a lump sum before the end of March of the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor. The consolidated company has no right to affect the investment management strategy.

The amount of the defined benefit plan presented in the consolidated balance sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 15,691	$ 16,482
Fair value of plan assets	(17,702)	(17,806)
Deficit (surplus)	(2,011)	(1,324)
Accounted for as net defined benefit assets	2,196	2,196
Net defined benefit liabilities	$ 185	$ 872

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Deficit (Surplus)
Balance at January 1, 2023	$ 16,482	($ 17,806)	($ 1,324)
Interest expense (income)	207	(200)	7
Recognized in profit or loss	207	(200)	7
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(125)	(125)
Actuarial losses - changes in financial assumptions	86	-	86
Actuarial gains - experience adjustments	(125)	-	(125)
Recognized in other comprehensive income	(39)	(125)	(164)
Contributions from the employer	-	(530)	(530)
Benefit paid	(959)	959	-
Balance at December 31, 2023	$ 15,691	($ 17,702)	($ 2,011)
Balance at January 1, 2022	$ 16,801	($ 16,305)	$ 496
Interest expense (income)	109	(93)	16
Recognized in profit or loss	109	(93)	16
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,084)	(1,084)
Actuarial gains - changes in financial assumptions	(746)	-	(746)
Actuarial losses - experience adjustments	502	-	502
Recognized in other comprehensive income	(244)	(1,084)	(1,328)
Contributions from the employer	-	(508)	(508)
Benefit paid	(184)	184	-
Balance at December 31, 2022	$ 16,482	($ 17,806)	($ 1,324)

The consolidated company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, invest labor pension funds in domestic (foreign) equity securities, debt securities, bank deposits, and other targets through self-utilization or commissioned operation; however, the distributable amount of the plan assets of the consolidated company shall not be less than the gains calculated based on the interest rate of two-year deposits with local banks.

2. Interest risk: A decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment of the plan assets will also increase, which will have a partially offsetting effect on the net defined benefit liability.

3. Salary risk: The calculation of the present value of the determined benefit obligation is based on the future salary of the members of the plan. Therefore, an increase in the salary of the plan members will increase the present value of the defined benefit obligation.

The present value of the consolidated company's defined benefit obligation was actuarially determined by a qualified actuary. The significant assumptions on the measurement date are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.2%	1.3%
Expected rate of salary increase	2.5%	2.5%

If there are reasonable and possible changes in the major actuarial assumptions, and all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation will be as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 212)	($ 279)
Decrease by 0.25%	$ 216	$ 287
Expected salary increase rate		
Increase by 1.00%	$ 883	$ 1,220
Decrease by 1.00%	($ 829)	($ 1,107)

As actuarial assumptions may be interrelated, the change in a single assumption is unlikely; therefore, the above sensitivity analysis may not be able to reflect the actual change in the present value of defined benefit obligations.

	December 31, 2023	December 31, 2022
Expected contributions to the plans for the next year	$ 478	$ 547
Average duration of defined benefit obligations	7.3 years	9.5 years

XXIII. Equity

(I) Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Issued and paid shares (in thousands)	69,400	69,400
Issued capital	$ 693,996	$ 693,996

The ordinary shares issued have a par value of $10 per share, and each share is entitled to one voting right and the right to receive dividends.

In order to introduce strategic investors and meet the capital needs for future operations, the Company's shareholders' meeting on June 20, 2018 resolved to carry out a capital increase in cash through the private placement of 20,000 thousand ordinary shares. On November 7, 2018, the Board approved the resolution that the intended place for the private placement of ordinary shares shall be Qisda Corporation, the base day for the capital increase shall be November 20, 2018, and the issuance shall be made in premium at $13 per share. The capital increase in cash through the private placement raised a total of $260,000 thousand in cash and issued 20,000 thousand shares. The paid-in capital after the capital increase was $693,996 thousand, and the alteration registration was completed on December 18, 2018.

The rights and obligations of the aforementioned new shares under the private placement are the same as those of the Company's issued ordinary shares, except that in accordance with Article 43-8 of the Securities and Exchange Act, the ordinary shares under the private placement may not be freely transferred within three years after the delivery. The Board was authorized to apply to the competent authorities for a supplementary public offering and listing on the TPEx for the trading of the ordinary shares three years after the delivery of the ordinary shares in accordance with the relevant laws and regulations, which was approved and filed for validity by the FSC on April 26, 2022.

On December 27, 2023, the Board resolved to perform a capital increase in cash through the issuance of 8,700 new shares with a par value of $10 per share and an issuance price of $50 per share in premium, which was approved by the competent authority on January 9, 2024, and the base day for the capital increase was March 22, 2024.

(II) Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 60,000	$ 60,000

Note: The capital surplus can be used to make up for losses, and can be used to distribute cash or capitalize on share capital when the Company has no losses. However, it shall be limited to a certain ratio of the paid-in capital each year when capitalizing on share capital.

(III) Retained earnings and dividend policy

According to the Articles of Incorporation, the Company authorizes the Board to make a special resolution to distribute dividends and bonuses that should be distributed, in the form of cash, and report to the shareholders' meeting.

In accordance with the earning distribution policy of the Articles of Incorporation, if there is a profit in the final accounting, the Company shall pay tax and make up past losses, and then appropriate 10% as the legal reserve. However, when the legal reserve amounts to the Company's paid-in capital, the appropriation is not required. For the remaining, it shall appropriate or reverse the special reserve according to laws and regulations. If there is any remaining balance, the Board shall prepare a proposal for the distribution of the earnings, together with the accumulated unappropriated earnings, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. Regarding the distribution policies for the remuneration of employees and remuneration of Directors specified in the Articles of Incorporation, please refer to Note 25(7) Remuneration of employees and remuneration of Directors.

The Company’s dividend policy complies with the current and future development plans, taking investment environments, capital requirements, and domestic/foreign competition status into account, and considers shareholders’ interest and other factors. Shareholders’ dividends or bonuses may be distributed in cash or stocks, in which cash dividends shall be no less than 10% of the total dividend.

The legal reserve shall be appropriated until the balance reaches the paid-in capital of the Company. Legal reserves may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital, and when the Company has no losses, it can be appropriate to capital and distributed in cash.

The proposals of the Company for 2022 and 2021 are as follows:

	2022	2021
Legal reserve	$ 42,224	$ 31,297
Special reserve	($ 5,902)	($ 1,510)
Cash dividends	$ 346,998	$ 208,199
Cash dividends per share (NT$)	$ 5.0	$ 3.0

The above cash dividends were distributed by resolutions of the Board on March 3, 2023 and March 4, 2022, respectively. The remaining earning distribution items were also resolved at the annual shareholders' meetings on June 15, 2023 and 2022, respectively.

The proposal for earning distribution for 2023 formulated by the Board on March 1, 2024 is as follows:

	2023
Legal reserve	$ 27,891
Special reserve	$ 6,457
Cash dividends	$ 277,598
Cash dividends per share (NT$)	$ 4.0

The above cash dividends have been distributed by the resolution of the Board, and the remaining are to be resolved at the annual shareholders' meeting to be convened on May 28, 2024.

(IV) Special reserve

	2023	2022
Balance at January 1	$ 26,299	$ 27,809
Special reserve		
Reversal of the debits to other equity items	(5,902)	(1,510)
Balance at December 31	$ 20,397	$ 26,299

The special reserve provided due to the exchange differences on the translation of the financial statements of foreign operations (including subsidiaries) is reversed in accordance with the Company's disposition ratio. When the Company loses its significant influence, the entire amount is reversed. When distributing earnings, a special reserve shall be provided supplementary for the difference of the special reserve provided for the net reduction to other equity accounted for at the end of the reporting period. Subsequently, if the balance of the reduction to other equity is reversed, the special reserve may be reversed regarding the reversed part for the distribution of earnings.

(V) Other equity

1. Exchange differences on the translation of financial statements of foreign operations

	2023	2022
Balance at January 1	($ 19,976)	($ 26,331)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(7,022)	6,355
Other comprehensive income recognized for the year	(7,022)	6,355
Balance at December 31	($ 26,998)	($ 19,976)

2. Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income

	2023	2022
Balance at January 1	($ 421)	$ 32
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	565	(453)
Other comprehensive income recognized for the year	565	(453)
Balance at December 31	$ 144	($ 421)

(VI) Non-controlling interests

	2023	2022
Balance at January 1	$ 831,544	$ 820,830
Net profit for the year	35,638	23,541
Other comprehensive income of the year		
Exchange differences on translation of financial statements of foreign operations	(33)	1,301
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	1,026	(823)
Remeasurement of defined benefit plans	84	685
Cash dividends distributed by subsidiaries	(37,812)	(13,990)
Balance at December 31	$ 830,447	$ 831,544

XXIV. Revenue

(I) Breakdown of revenue from contracts with customers

	2023	2022
LCD touch module	$ 2,490,629	$ 2,786,376
LCD module	506,311	1,165,392
Medical and industrial displays	604,781	756,526
Others	314,524	213,404
	$ 3,916,245	$ 4,921,698

(II) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (Note 9)	$ 541,553	$ 705,485	$ 950,908
Accounts receivable from related parties	$ 5,903	$ 144,433	$ 126,332
Contract liabilities - Current	$ 90,266	$ 92,288	$ 40,350

The change in contract liabilities is mainly due to the difference between the point of time fulfilling the performance obligation and the time of payment by the customer.

The amounts recognized as income in the current year from the contract liabilities at the beginning of the year for which the performance obligations have been fulfilled are as follows:

	2023	2022
From contract liabilities at the start of the year	$ 45,026	$ 20,857

XXV. Net profit for the year

(I) Interest income

	2023	2022
Bank deposits	$ 8,388	$ 1,615

(II) Other income

	2023	2022
Rental income		
Investment property	$ 6,916	$ 7,380
Depreciation expenses of investment property	(794)	(798)
	$ 6,122	$ 6,582

(III) Other gains and losses

	2023	2022
Valuation gains (losses) on financial assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	$ 38,281	$ 64,605
Financial liabilities held for trading	(63,539)	(131,873)
Net foreign exchange gains	5,110	78,914
Gains (losses) on disposal of property, plant and equipment	(467)	184
Impairment loss of investment accounted for using the equity method	-	(22,715)
Impairment loss of intangible assets	-	(1,377)
Other gains	18,893	15,130
Other losses	(75)	(103)
	($ 1,797)	$ 2,765

(IV) Finance cost

	2023	2022
Interest on bank loans	$ 5,223	$ 9,733
Interest on lease liabilities	262	371
	$ 5,485	$ 10,104

(V) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 52,334	$ 51,415
Right-of-use assets	10,793	10,300
Investment property	794	798
Intangible assets	21,154	23,242
	$ 85,075	$ 85,755
Summary of depreciation expenses by function:		
Operating cost	$ 34,655	$ 33,973
Operating expenses	28,472	27,742
Non-operating income and expenses	794	798
	$ 63,921	$ 62,513

(Continued)

	2023	2022
Summary of amortization expenses by function:		
Operating cost	$ 13,635	$ 13,633
Operating expenses	7,519	9,609
	$ 21,154	$ 23,242

(VI) Employee benefit expense

	2023	2022
Short-term benefits	$ 574,838	$ 650,378
Post-employment benefits		
Defined contribution plan	34,232	30,494
Defined benefit plan (Note 22)	8	16
	34,240	30,510
Other employee benefits	50,554	53,274
	$ 659,632	$ 734,162
Summary by function:		
Operating cost	$ 328,274	$ 408,962
Operating expenses	331,358	325,200
	$ 659,632	$ 734,162

(VII) Remuneration of employees and remuneration of Directors

According to the Articles of Incorporation, if there is a profit for the year, no less than and no more than 20% shall be appropriated as the remuneration of employees, and no more than 1% shall be appropriated as the remuneration of Directors. The estimated remuneration of employees and Directors for 2023 and 2022resolved by the Board on March 1, 2024 and March 3, 2023, respectively, is as follows:

Accrual rate

	2023	2022
Compensation of employees	8.00%	7.00%
Remuneration of Directors	0.75%	0.75%

Amount

	2023	2022
Compensation of employees	$ 28,856	$ 38,482
Remuneration of Directors	2,705	4,123

If there is still a change in the amount of the annual consolidated financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

There is no difference between the actual amounts of employees' and directors' remuneration paid for 2022 and 2021 and the amounts recognized in the consolidated financial statements for 2022 and 2021.

For information on remuneration of employees and remuneration of Directors resolved by the Board, please visit the "Market Observation Post System "of the Taiwan Stock Exchange.

XXVI. Income tax

(I) Major components of income tax expenses recognized in profit or loss

	2023	2022
Current tax		
In respect of the current year	$ 100,503	$ 133,056
Income tax on unappropriated earnings	1,946	3,749
Adjustments for prior year	(6,014)	(3,973)
	96,435	132,832
Deferred tax		
In respect of the current year	(12,906)	(8,163)
Adjustments for prior year	18	31
	(12,888)	(8,132)
Income tax expenses recognized in profit or loss	$ 83,547	$ 124,700

The reconciliation between accounting income and income tax expense is as follows:

	2023	2022
Net profit before tax	$ 398,048	$ 570,106
Income tax expense calculated at the statutory rate	$ 103,395	$ 139,100
Nondeductible expenses in determining taxable income	2,035	1,624
Tax-exempted income	(1,123)	-
Income tax on unappropriated earnings	1,946	3,749
Unrecognized deductible temporary differences	(12,585)	(11,251)
Adjustments for prior years' tax	(6,014)	(3,973)
Adjustments for prior years' deferred tax	18	31
Foreign income tax	455	-
Consolidated deferred tax of the enterprise	(4,580)	(4,580)
Income tax expenses recognized in profit or loss	$ 83,547	$ 124,700

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ 33	$ 265

(III) Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refunds receivable	$ 238	$ 2,413
Current tax liabilities		
Income taxes payable	$ 84,564	$ 124,653

(IV) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Investment losses accounted for under the equity method	$ 18,390	$ 682	$ -	$ -	$ 19,072
Inventory write-downs	18,273	6,401	-	(73)	24,601
Unrealized foreign exchange losses	3,882	1,433	-	-	5,315
Payables for annual leave	2,467	(128)	-	-	2,339
Defined benefit pension plan	2,447	(104)	(33)	-	2,310
Others	4,928	618	-	(6)	5,540
	$ 50,387	$ 8,902	($ 33)	($ 79)	$ 59,177
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ 27,656	($ 1,092)	$ -	$ -	$ 26,564
Intangible assets	16,858	(3,488)	-	-	13,370
Taxation difference in depreciation expenses	3,307	(207)	-	(48)	3,052
Investment gains accounted for using the equity method	1,989	162	-	-	2,151
Others	290	639	-	-	929
	$ 50,100	($ 3,986)	$ -	($ 48)	$ 46,066

2022

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary difference					
Investment losses accounted for under the equity method	$ 17,599	$ 791	$ -	$ -	$ 18,390
Inventory write-downs	13,958	4,277	-	38	18,273
Unrealized foreign exchange losses	6,419	(2,537)	-	-	3,882
Defined benefit pension plan	2,811	(99)	(265)	-	2,447
Payables for annual leave	2,146	321	-	-	2,467
Others	4,145	778	-	5	4,928
	$ 47,078	$ 3,531	($ 265)	$ 43	$ 50,387
Deferred tax liabilities					
Temporary difference					
Property, plant and equipment	$ 28,748	($ 1,092)	$ -	$ -	$ 27,656
Intangible assets	20,346	(3,488)	-	-	16,858
Taxation difference in depreciation expenses	3,466	(207)	-	48	3,307
Investment gains accounted for using the equity method	2,071	(82)	-	-	1,989
Others	22	268	-	-	290
	$ 54,653	($ 4,601)	$ -	$ 48	$ 50,100

(V) The deductible temporary difference of deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 82,287	$ 142,140

(VI) Assessment of income tax

The profit-seeking enterprise income tax filings of the Company and DIVA Laboratories, Ltd. have been assessed by the tax collection authority up to 2021.

XXVII. Earnings per share

Unit: NT$ per share

	2023	2022
Basic earnings per share	$ 4.02	$ 6.08
Diluted earnings per share	$ 3.99	$ 5.99

The earnings per share and the weighted average number of ordinary shares are as follows:

Net profit for the year

	2023	2022
Profit for the year attributable to owners of the Company	$ 278,863	$ 421,865
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 278,863	$ 421,865

Number of shares (In thousand shares)

	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	69,400	69,400
Effect of potentially dilutive ordinary shares:		
Compensation of employees	552	989
Weighted average number of ordinary shares used in the computation of diluted earnings per share	69,952	70,389

If the consolidated company may choose to pay employees' remuneration in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee's remuneration will be paid out in stock, and the potential ordinary shares are included in the weighted average number of outstanding shares when diluted to calculate diluted earnings per share. The dilutive effect of these potential ordinary shares will also be taken into account when calculating the diluted earnings per share before the number of shares to be distributed to employees in the following year.

XXVIII. Capital risk management

The consolidated company shall conduct capital management to ensure that the consolidated company can continue to operate with a capital structure that is most suitable for the consolidated company's current operation and development, and make good use of various equity and debt instruments to provide the consolidated company with capital required for operating plans so as to achieve the target of maximized shareholders’ return.

The consolidated company's capital structure consists of the consolidated company's net debt and equity attributable to the owners of the Company.

The consolidated company is not subject to other external capital requirements.

XXIX. Financial instruments

(I) Fair value information - Financial instruments not measured at fair value

Regarding financial instruments not measured at fair value that have near expiry dates or have receipt/payment prices in the future approximating their carrying amount, the carrying amount on the consolidated balance sheet date is adopted for the estimation of its fair value.

(II) Fair value information - Financial instruments at measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic unlisted stocks	$ -	$ -	$ -	$ -
Derivatives	-	8,614	-	8,614
	$ -	$ 8,614	$ -	$ 8,614
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic unlisted stocks	$ -	$ -	$ 4,611	$ 4,611

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic unlisted stocks	$ -	$ -	$ -	$ -
Derivatives	-	120	-	120
	$ -	$ 120	$ -	$ 120
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
Domestic unlisted stocks	$ -	$ -	$ 3,020	$ 3,020
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 2,233	$ -	$ 2,233

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial assets	Financial Assets at Fair Value through Profit or Loss	Financial Assets at Fair Value through Other Comprehensive Income	Total
	Equity instruments	Equity instruments	
Balance at January 1	$ -	$ 3,020	$ 3,020
Recognized in other comprehensive income (unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income)	-	1,591	1,591
Balance at December 31	$ -	$ 4,611	$ 4,611

2022

Financial assets	Financial Assets at Fair Value through Profit or Loss	Financial Assets at Fair Value through Other Comprehensive Income	Total
	Equity instruments	Equity instruments	
Balance at January 1	$ -	$ 4,296	$ 4,296
Recognized in other comprehensive income (unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income)	-	(1,276)	(1,276)
Balance at December 31	$ -	$ 3,020	$ 3,020

3. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument Category	Valuation Technique and Inputs
Derivatives - foreign currency forward contracts and foreign exchange swap contract	Discounted cash flow method: The future cash flows are estimated based on the forward exchange rates observable at the end of the year and the contractual exchange rates, and discounted at the discount rates that can reflect the credit risk of each counterparty.

4. Valuation techniques and inputs applied for Level 3 fair value measurement
For domestic unlisted stocks and suspended listed stocks held by the consolidated company, where there is no market price for reference, the valuation method is used for estimation.

(III) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 8,614	$ 120
Financial assets at amortized cost		
Cash and cash equivalents	947,955	846,465
Notes receivable	-	410
Accounts receivable	541,553	705,075
Accounts receivable from related parties	5,903	144,433
Other receivables	4,081	9,142
Other receivables from related parties	2,857	4,668
Refundable deposits	6,581	7,878
Financial assets at fair value through other comprehensive income		
Equity instruments	4,611	3,020
Financial liabilities		
Measured at fair value through profit or loss		
Held for trading	-	2,233
Amortized cost		
Short-term borrowings	86,728	88,114
Notes payable	307	214
Accounts payable	366,621	566,814
Accounts payable from related parties	21,791	44,907
Other payables	69,578	85,343
Other payables from related parties	19,432	17,426
Long-term borrowings (including the part due within one year)	-	220,000
Guarantee deposits received	464	471

(IV) Financial risk management objectives and policies

The financial risks related to the operating activities of the consolidated company are mainly market risk, credit risk and liquidity risk. Except for market risk, which is mainly affected by external factors and is unpredictable, the remaining two risks can be generally controlled or eliminated through internal control or operating procedures. Therefore, in response to changes in market risks, the consolidated company uses appropriate financial instrument operations to reduce the adverse effects that market risks may have on the consolidated company's financial status and financial performance.

1. Market risk

The market risks to which the consolidated company is exposed to mainly include exchange rate risk and interest rate risk.

(1) Exchange rate risk

The consolidated company engages in foreign currency-denominated sales and purchase transactions, resulting in exchange rate risk. The consolidated company manages its exposure to exchange rate risk using forward exchange contracts to the extent permitted by the policy.

For the carrying amounts of the consolidated company's monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 33.

Sensitivity analysis

The consolidated company is mainly affected by fluctuations in the exchange rate of the USD.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. The sensitivity analysis includes only outstanding monetary items in foreign currencies and forward exchange contracts designated as cash flow hedges, and adjusts their year-end translation by a 1% change in exchange rates. A positive number in the following table represents the amount of increase (decrease) in net profit before tax when NTD strengthens by 1% against USD; when NTD depreciates by 1% against USD, the impact on net profit before tax will be the same amount in negativity.

	Impact of USD	
	2023	2022
Profit and loss	($ 2,051)	($ 4,075)

(2) Interest rate risk

The consolidated company's risk of changes in interest rates mainly comes from short-term borrowings and long-term borrowings with fixed and floating interest rates. Changes in market interest rates will change the effective interest rate of borrowings, resulting in the risk of changes in the future fair value and cash flow.

The carrying amounts of the consolidated company's financial assets and financial liabilities that are exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 434,220	$ 257,740
Financial liabilities	108,515	110,489
Cash flow interest rate risk		
Financial assets	513,215	589,365
Financial liabilities	-	220,000

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivatives on the balance sheet date. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the consolidated company's net profit before tax for 2023 and 2022 will increase/decrease by $5,132 thousand and $3,694 thousand, respectively.

2. Credit risk

Credit risk refers to the risk related to defaults of counterparties on their contractual obligations that result in the risk of financial losses of the Group. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may be due to a counterparty's failure to perform its obligations is mainly derived from the carrying amount of the financial assets recognized in the consolidated balance sheet.

To mitigate credit risk, the consolidated company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the consolidated company reviews the recoverable amounts of amounts receivable on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible amounts receivable. Accordingly, the consolidated company's management considers that the consolidated company's credit risk has been significantly reduced.

Regarding the consolidated company's accounts receivable balance as of December 31, 2023 and 2022, the amounts due from Company A, Company B, and Company C were $74,057 thousand and $76,832 thousand, $26,744 thousand and $124,485 thousand, as well as $66,295 thousand and $5,317 thousand, respectively, and the counterparties of the remaining amounts receivable cover multiple customers who are separated in different industries and geographical areas. The consolidated company continuously evaluates the financial position of customers with amounts receivable customers.

3. Liquidity risk

The consolidated company maintains sufficient cash and cash equivalents to meet the cash requirements for operating activities through accounts and financing management and reduce the impact of cash flow fluctuations. The consolidated company's Finance Department monitors the use of bank financing limits at all times and ensures compliance with the terms of borrowing contracts.

Liquidity and interest rate risk table of non-derivative financial liabilities

The maturity analysis for the remaining contracts of non-derivative financial liabilities is based on the date on which the consolidated company may be required to make repayments and is prepared according to the undiscounted cash flow of financial liabilities (including the principal and estimated interest). Therefore, the consolidated company may be required to immediately repay the bank borrowings, which is within the earliest period in the table below, regardless of the probability that the bank may immediately exercise its right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

For the interest cash flow paid at floating interest rates, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

The maturity date of the non-interest-bearing financial liabilities accounted for in the consolidated company's current liabilities is within one year, and the Company was not required to immediately settle such financial liabilities. The deposits received in the non-current financial liabilities are mainly deposited by customers as credit guarantees with no specific maturity date.

December 31, 2023

	Within 1 Year	1-5 Years
Non-derivative financial liabilities		
Lease liabilities	$ 12,911	$ 9,354
Fixed interest rate instruments	88,111	-
	$ 101,022	$ 9,354

December 31, 2022

	Within 1 Year	1 to 5 Years
Non-derivative financial liabilities		
Lease liabilities	$ 10,947	$ 11,779
Variable interest rate instruments	30,546	195,866
Fixed interest rate instruments	89,533	-
	$ 131,026	$ 207,645

The amount of variable interest rate instruments of the abovementioned non-derivative financial liabilities will change due to the difference between the variable interest rate and the estimated interest rate on the balance sheet date.

XXX. Related party transactions

The Company's parent company is Qisda Corporation, which held 28.82% of the Company's ordinary shares as of December 31, 2023 and 2022.

Transactions, account balances, gains, and expenses between the Company and its subsidiaries (who are related parties of the Company) have been eliminated upon consolidation and are not disclosed in this Note. In addition to those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows.

(I) Related party and the relationship with it

Related Party	Relationship with the Consolidated Company
Qisda Corporation	Parent company
AUO Corporation	An individual with significant influence on the parent company that is a corporate Director who values the parent company by using the equity method
Darwin Precisions Corporation	A subsidiary of AUO Corporation
AUO Display Plus Corporation	A subsidiary of AUO Corporation

(Continued)

Related Party	Relationship with the Consolidated Company
DFI Inc.	Sister company
BenQ AB Dentcare Corporation	Sister company
BenQ Medical Technology Corporation	Sister company
BenQ Asia Pacific Corp.	Sister company
BenQ Healthcare Corporation	Sister company
BenQ Materials Corp.	Sister company
BenQ Technology (Shanghai) Co., Ltd.	Sister company
Qisda (Suzhou) Co., Ltd.	Sister company
Qisda Optronics (Suzhou) Co., Ltd.	Sister company
Global Intelligence Network Co., Ltd.	Sister company
Metaage Corporation (formerly known as Sysage Technology Co., Ltd.)	Sister company
Concord Medical Co., Ltd	Sister company
Metaguru Corporation	Sister company
Action Star Technology Co., Ltd.	Sister company
BenQ Foundation	Substantial related party
Unictron Technologies Corporation	Associate
Everlasting Digital ESG Co., Ltd.	Associate
DMC Components International, LLC	Associate
The Linden Group Corp.	Associate
QUBYX Software Technologies Inc	Associate

(II) Operating revenue

Item	Related Party Category	2023	2022
Sales	Parent company	$ 134	$ 294
	Sister company		
	Qisda (Suzhou) Co., Ltd.	254	277,163
	Others	29,968	111,332
		30,222	388,495
	Associate	30,246	125,098
	A subsidiary of AUO Corporation	427	124
		$ 61,029	$ 514,011

As most of the consolidated company's transactions with the abovementioned related parties are customized products with no comparable products, the prices are negotiated by both parties; sales to related parties and non-related parties are collected after shipping or O/A 30 to 150 days and collected after shipping or O/A 30 to 160 days, respectively.

(III) Purchases

Related Party Category	2023	2022
Parent company	$ 58	$ 25
AUO Corporation	-	220,300
A subsidiary of AUO Corporation	86,542	95,820
Sister company	3,990	4,856
Associate	195	559
	$ 90,785	$ 321,560

As most of the transactions with the abovementioned related parties are raw materials required by customized products with no comparable products, the prices are negotiated by both parties; purchases from related parties and non-related parties are paid after receipt or O/A 30 to 150 days and paid after receipt or O/A 30 to 120 days, respectively.

(IV) Contract liabilities

Related Party Category	December 31, 2023	December 31, 2022
Associate	$ 2,184	$ -

(V) Receivables from related parties

Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Accounts receivable	Parent company	$ 13	$ -
	Sister company	3,356	96,047
	Associate	11,387	48,386
	Less: Loss allowance	(8,853)	-
		2,534	48,386
		$ 5,903	$ 144,433
Other receivables	Sister company		
	Qisda Optronics (Suzhou) Co., Ltd..	$ 2,857	$ 3,863
	Associate	-	805
		$ 2,857	$ 4,668

No guarantee is received for the outstanding amounts due from related parties.

(VI) Payables to related parties

Item	Related Party Category	December 31, 2023	December 31, 2022
Accounts payable	AUO Corporation	$ -	$ 35,463
	A subsidiary of AUO Corporation	21,742	9,210
	Sister company	17	-
	Associate	32	234
		$ 21,791	$ 44,907
Other payables	Parent company	$ 7,797	$ 2,098
	Sister company	1,887	10,348
	Associate	9,748	4,980
		$ 19,432	$ 17,426

The balance of outstanding amounts due to related parties has not been provided for guarantee.

(VII) Acquisition of property, plant and equipment

	Purchase price	
Related Party Category	2023	2022
Sister company	$ -	$ 131

(VIII) Lease agreement

Item	Related Party Category	December 31, 2023	December 31, 2022
Lease liabilities	Parent company	$ 2,373	$ 4,125

Item	Related Party Category	2023	2022
Interest expenses (accounted for as finance cost)	Parent company	$ 45	$ 68
Depreciation expenses (accounted for as operating cost)	Parent company	$ 1,651	$ 1,651

The consolidated company rented the Taoyuan Office from the parent company in November 2021 and the Taoyuan Plant from the parent company in May 2020. The lease terms are 3.5 years and 5 years, respectively. The rental is based on the rental level of similar assets, and it pays a fixed lease payment on a monthly basis according to the lease contract.

(IX) Prepayments (accounted for as other current assets)

Related Party Category	December 31, 2023	December 31, 2022
AUO Display Plus Corporation	$ 3,075	$ -
Associate	242	202
Sister company	177	177
	$ 3,494	$ 379

Prepayments to the subsidiary of AUO Corporation are for the preparation of materials.

Prepayments to associates are for inspection and testing services.

Prepayments to sister companies are for the provision of software and other services.

(X) Other related party transactions

Related Party Category/Name	2023	2022
Operating cost		
Parent company	$ 20,773	$ 13,023
A subsidiary of AUO Corporation	-	22
Sister company	336	516
Associate	1,304	1,559
	$ 22,413	$ 15,120
Operating expenses		
Parent company	$ 1,646	$ 1,972
AUO Corporation	1	-
A subsidiary of AUO Corporation	610	885
Sister company	1,451	1,621
Associate	1,100	1,008
Substantial related party	1,000	1,500
	$ 5,808	$ 6,986
Operating expenses - Commission expense		
Associate	$ 29,879	$ 20,532
Other income		
Sister company	$ 76	$ -
Associate	99	271
	$ 175	$ 271

As the parent company provided partial management services to the consolidated company, the management expenses recognized in 2023 and 2022 were $22,419 thousand and $14,995 thousand, respectively.

Commission expenses are calculated based on the rates agreed upon in contracts and are paid only after the consolidated company has received the relevant accounts receivable for sales of goods as an agent.

Other income refers to the certification service income collected from associates.

(XI) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 43,734	$ 39,755
Post-employment benefits	324	270
	$ 44,058	$ 40,025

The remuneration of Directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXXI. Pledged assets

The following assets of the consolidated company have been pledged as the collateral for the collection of business tax after the release of the imported goods by the customs:

	December 31, 2023	December 31, 2022
Refundable deposits (accounted for as other non-current assets)	$ 1,633	$ 1,508

XXXII. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2022, the consolidated company had an unused letter of credit of $671 thousand (December 31, 2023: none).

XXXIII. Information on significant assets and liabilities denominated in foreign currencies

The information below is aggregated and expressed in foreign currencies other than the functional currencies of each entity in the consolidated company. The exchange rates disclosed refer to the exchange rates at which these foreign currencies are translated into functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

December 31, 2023

Financial assets	Foreign Currency	Exchange Rate		Carrying Amount
Monetary items				
USD	$ 26,273	30.7500	(USD: NTD)	$ 807,888
USD	9,635	7.0912	(USD: CNY)	296,277
Non-monetary items				
Investment accounted for using the equity method				
USD	237	30.7500	(USD: NTD)	7,284

	Foreign Currency	Exchange Rate		Carrying Amount
Financial liabilities				
Monetary items				
USD	19,602	30.7500	(USD: NTD)	602,750
USD	1,848	7.0912	(USD: CNY)	56,827

December 31, 2022

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 32,372	30.730	(USD: NTD)	$ 994,788
USD	8,775	6.975	(USD: CNY)	269,652
Non-monetary items				
Investment accounted for using the equity method				
USD	360	30.730	(USD: NTD)	11,060
Financial liabilities				
Monetary items				
USD	19,110	30.730	(USD: NTD)	587,244
USD	3,589	6.975	(USD: CNY)	110,301

The consolidated company's net currency exchange gains or losses (realized and unrealized) for 2023 and 2022 were $5,110 thousand and $78,914 thousand, respectively. Due to the wide variety of foreign currency transactions, it is impossible to disclose the exchange gain or loss of each significant foreign currency.

XXXIV. Supplementary disclosures

(I) Significant transactions:

1. Loans to others: None.

2. Endorsements/guarantees provided: Table 1.

3. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2.

4. Marketable securities acquired and disposed at costs of prices at least NT$300 million or 20% of the paid-in capital: None.

5. Acquisition of individual property at costs of at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

9. Trading in derivative instruments: Note 7.

10. Others: Intercompany relationships and significant Intercompany transactions: Table 5.

(II) Information on investees: Table 6.

(III) Information on investments in Mainland China:

1. Information on investees in Mainland China, including the name, scope of business, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriation of investment gain or loss, and limit on the amount of investment in the Mainland China area: Table 7.

2. The following significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8.

(1) The amount and percentage of purchases and the closing balance relevant amounts payable at the end of the period and percentage.

(2) The amount and percentage of sales and the closing balance relevant amounts receivable at the end of the period and percentage.

(3) The amount of property transactions and the amount of gain or loss arising therefrom.

(4) The closing balance of endorsements/guarantees or collateral provided and their purposes.

(5) The highest balance, closing balance, interest rate range, and total interest for the current period of capital financing.

(6) Other transactions that have a significant impact on the current profit or loss or financial position (i.e., the provision or receipt of services).

(IV) Information on major shareholders: Not applicable.

XXXV. Segment information

Information reported to the consolidated company's operating decision-maker focuses on the financial information by products for the allocation of resources and evaluation of segment performance; the chief operating decision-maker considers the Display Module Segment and the Display Segment individual operating segments.

(I) Segment revenue and operating results

The income and operating results of the consolidated company are analyzed as follows based on the reporting segments:

2023

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	$ 3,023,199	$ 893,046	$ 3,916,245
Inter-segment income	7,071	798	7,869
Segment revenue	3,030,270	893,844	3,924,114
Eliminations	(7,071)	(798)	(7,869)
Consolidated revenue	$ 3,023,199	$ 893,046	$ 3,916,245
Segment income	$ 327,459	$ 69,250	$ 396,709
Interest income			8,388
Other income			6,122
Other gains and losses			(1,797)
Finance cost			(5,485)
Share of profit or loss of associates			(5,889)
Profit before tax			$ 398,048

2022

	LCD Module Segment	Display Module Segment	Total
Revenue from external customers	$ 3,973,318	$ 948,380	$ 4,921,698
Inter-segment revenue	3,440	824	4,264
Segment revenue	3,976,758	949,204	4,925,962
Eliminations	(3,440)	(824)	(4,264)
Consolidated revenue	$ 3,973,318	$ 948,380	$ 4,921,698
Segment income	$ 504,910	$ 61,931	$ 566,841
Interest income			1,615
Other income			6,582
Other gains and losses			2,765
Finance cost			(10,104)
Share of profit or loss of associates			2,407
Profit before tax			$ 570,106

Inter-segment sales are calculated at market prices.

Segment profit refers to the profit earned by each segment, excluding share of profit or loss of associates, interest income, other income, net currency exchange (loss) gain, valuation gain (loss) of financial instruments, finance costs, and income tax expenses. This measured amount is provided to the chief operating decision-maker for allocating resources to segments and evaluating their performance.

(II) Segment total assets and liabilities

	December 31, 2023	December 31, 2022
Segment assets		
LCD Module Segment	$ 1,559,354	$ 2,136,445
Display Module Segment	1,656,122	1,691,040
Unallocated assets	68,289	63,860
Consolidated total assets	$ 3,283,765	$ 3,891,345
Segment liabilities		
LCD Module Segment	$ 652,530	$ 1,117,854
Display Module Segment	185,056	209,137
Unallocated liabilities	132,220	174,753
Consolidated total liabilities	$ 969,806	$ 1,501,744

To monitor segment performance and allocate resources among various departments:

1. Assets other than investments accounted for using the equity method and current and deferred tax assets are allocated to the reporting segments. Goodwill is allocated to reporting segments. Assets used jointly by reporting segments are allocated based on the income earned by each reporting segment; and

2. Liabilities other than the credit balance of investments accounted for using the equity method and current and deferred tax liabilities are allocated to reporting segments. The liabilities borne jointly by reporting segments are allocated based on the segment asset proportion.

(III) Geographical information

The consolidated company mainly operates in two regions - Taiwan and China.

Information on the consolidated company's income from external customers by business location and non-current assets by asset location is set out as follows:

	Revenue from External Customers		Non-Current Assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 3,852,728	$ 4,832,641	$ 742,850	$ 778,879
China	40,943	62,992	325,464	348,365
Others	22,574	26,065	12	21
	$ 3,916,245	$ 4,921,698	$ 1,068,326	$ 1,127,256

Non-current assets exclude financial instruments, deferred tax assets, net defined benefit assets and assets arising from insurance contracts.

(IV) Information on major customers

For 2023 and 2022, the income from a single customer reaching 10% or more of the consolidated company's total income is as follows:

	2023	2022
Company B	$ 627,399	$ 669,513

Data Image Corporation and Its Subsidiaries

Endorsements/Guarantees Provided

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Table 1

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Data Image (Suzhou) Corporation	A wholly-owned subsidiary through Data Image (MAURITIUS) Corporation	$ 296,702	$ 62,510	$ 30,750	$ 6,174	$ -	2.07%	$ 741,756	Yes	No	Yes

Note: The total amount of the Company's endorsements /guarantees is limited to 50% of the Company's net worth as stated in its latest financial statements. The endorsements/guarantees provided to a single enterprise are limited to 20% of its net worth, as stated in its latest financial statements.

Data Image Corporation and Its Subsidiaries

Marketable securities held

December 31, 2023

(In Thousands of New Taiwan Dollars)

Table 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the year				Note
				Number of shares	Carrying amount	Percentage of Ownership	Fair value	
DIVA Laboratories, Ltd.	Stocks							
	Insight Genomics Inc.	—	Financial assets at fair value through other comprehensive income - Non-current	600,000	$ 2,778	6.40%	$ 2,778	
	Renown Information Technology Corp.	—	Financial assets at fair value through other comprehensive income - Non-current	240,000	1,833	4.80%	1,833	
	Pharmally International Holding Company Limited	—	Financial assets at fair value through profit or loss - Non-current	150,000	-	-	(Note)	

Note: Pharmally International Holding Company Limited was delisted on April 1, 2021. Due to the assessment that the fair value of the marketable securities may be extremely low and a reasonable valuation price was unable to be obtained, the entire amount was recognized as a valuation loss.

Data Image Corporation and Its Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Table 3

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ sales	Amount	% of Total (Note 1)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of Total	
The Company	Data Image (Suzhou) Corporation	Subsidiary	Processing fees	($ 1,134,344)	(55)	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	($ 294,000)	(76)	
Data Image (Suzhou) Corporation	The Company	Parent company	Processing income	1,134,344	29	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	294,000	54	

Note 1: The processing fees are calculated as a percentage of the total manufacturing expenses.

Note 2: Transactions between consolidated companies have been fully written off when preparing the consolidated financial statements.

Data Image Corporation and Its Subsidiaries

Receivables from Related Parties Amounting to at least NT$100 million or 20% of the Paid-in Capital

December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 4

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Data Image (Suzhou) Corporation	The Company	Parent company	$ 294,000	4.17	$ -	—	$ 168,960	$ -

Note: Transactions between consolidated companies have been fully written off when preparing the consolidated financial statements.

Data Image Corporation and Its Subsidiaries

Intercompany relationships and significant Intercompany transactions

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Table 5

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Data Image (Suzhou) Corporation	1	Accounts payable from related parties	($ 294,000)	Note 2 and Note 3	9%
				Commissioned processing fees	1,134,344	Note 2	29%
1	Data Image (Suzhou) Corporation	The Company	2	Processing income	(1,140,704)	Note 2	29%
				Accounts receivable from related parties	294,000	Note 2 and Note 3	9%

Note 1: There are two types of relationships with the trader: 1. The Company to a subsidiary; 2. a subsidiary to the Company; 3. a subsidiary to another subsidiary.

Note 2: The Company sells raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchases partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income is expressed as a net amount. In addition, after offsetting the relevant amounts receivable and payable, collection and payment will be made based on the capital status of Data Image (Suzhou) Corporation.

Note 3: Refer to the balance after offsetting of receivables and payables.

Note 4: Transactions between consolidated companies have been fully written off when preparing the consolidated financial statements.

Note 5: Business relationships and significant transactions that reach at least 1% of the consolidated operating income or total assets of the consolidated company shall be disclosed.

Data Image Corporation and Its Subsidiaries

Information on Investees

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 6

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of shares	Ratio (%)	Carrying amount			
The Company	Data Image (MAURITIUS) Corporation	Mauritius	Investment	$ 518,381	$ 518,381	20,215,000	100.00	$ 472,173	$ 62,916	$ 62,916	—
	DIVA Laboratories, Ltd.	Taiwan	Medical equipment manufacturing and sales	625,680	625,680	20,856,000	35.55	622,870	73,617	19,657	Note 1
	DMC Components International, LLC	Orlando, USA	Sales agency	24,304	24,304	300,000	30.00	8,874	3,163	1,267	Note 2
DIVA Laboratories, Ltd.	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00	1,179	(220)	(220)	-
	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00	14,498	2,709	2,709	-
	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500,000	100.00	24,156	(1,510)	(1,510)	Note 3
	Diva Capital lnc.	Samoa	Reinvestment	52,908	52,908	-	100.00	9,635	1,253	1,253	Note 4
	Qubyx Limited	United Kingdom	Software design and sales	-	-	-	-	-	-	-	Note 6
	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00	(1,590)	(37,661)	(7,156)	Notes 5 and 7
Diva Capital lnc.	Diva Holding lnc.	Samoa	Reinvestment	52,598	52,598	-	100.00	9,630	1,253	Note 8	-
Qubyx Limited	QUBYX LTD	France	Software design and sales	-	38	-	-	-	-	-	Note 6
	QUBYX Software Technologies Inc	USA	Software design and sales	-	-	-	-	-	-	-	Note 6

Note 1: The difference between the profit and loss of the investee recognized based on the shareholding ratio in the current year and the investment gain or loss recognized in the current year is the effect of the fair value of the investee's assets being higher than the book value of the amortization.

Note 2: The carrying amount deducted the unrealized gain on downstream transactions of $1,657 thousand.

Note 3: The carrying amount deducted the unrealized gain on downstream transactions of $85 thousand.

Note 4: The carrying amount deducted the unrealized gain on downstream transactions of $13 thousand.

Note 5: The carrying amount deducted the unrealized gain on downstream transactions of $1,732 thousand.

Note 6: The Company has completed the liquidation of QUBYX Limited on November 2, 2023.

Note 7: The Company had accumulated $25,787 thousand of impairment loss on the investment in The Linden Group Corp. accounted for using the equity method.

Note 8: The profit or loss of the investee has been included in its investees. To avoid confusion, it is not expressed otherwise presented in these financial statements.

Note 9: The investment gain or loss between investees, the long-term equity investment of the investees, and the net worth of the equity of the investees were fully written off when the consolidated financial statements were prepared.

Data Image Corporation and Its Subsidiaries

Information on Investments in Mainland China

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 7

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of Period	IRemittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of Period	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount at the End of Period (Note 1)	Accumulated Repatriation of Investment Income at the End of Period
					Outward	Inward						
Data Image (Suzhou) Corporation	Manufacturing, processing, and sale of LCD touch modules and LCD modules	$ 534,081 (USD 16,300 thousand)	An investee in Mainland China through investment in the establishment of Data Image (MAURITIUS) Corporation in a third region	$ 511,884 (USD 15,654 thousand)	$ -	$ -	$ 511,884 (USD 15,654 thousand)	$ 63,199 (RMB 14,463 thousand)	100%	$ 63,199	$ 470,745	$ -
Suzhou Diva Lab. Inc.	Medical equipments wholesale, import and export business	52,643 (USD 1,725 thousand)	Diva Capital Inc., a 100% owned third region subsidiary, reinvested in a third region company Diva Holding lnc., and reinvested in a mainland China company	52,643 (USD 1,725 thousand)	-	-	52,643 (USD 1,725 thousand)	1,253 (RMB 280 thousand)	100%	1,253 (RMB 280 thousand)	9,602 (RMB 2,214 thousand)	-

Investor	Accumulated Outward Remittance for Investments in Mainland China at the end of the period	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Company	USD 15,654 thousand	USD 16,952 thousand	$890,107 (Note 2)
DIVA Laboratories, Ltd.	USD 1,725 thousand	USD 2,000 thousand	$619,681 (Note 3)

Note 1: It was recognized based on the financial statements audited by the parent company's CPAs in Taiwan for the same period.

Note 2: The calculation is based on the limit of 60% of the net worth, according to Tou-Shen-Zi No. 09704604680.

Note 3: The calculation is based on a limit of 60% of the consolidated net value of DIVA Laboratories, Ltd., according to Tou-Shen-Zi No. 09704604680.

Note 4: The investment gain or loss between investees, the long-term equity investment of the investees, and the net worth of the equity of the investees were fully written off when the consolidated financial statements were prepared.

Data Image Corporation and Its Subsidiaries
Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains or Losses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars,)

Table 8

Investee Company	Transaction type	Purchases/sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transaction	Ending Balance	%		
Data Image (Suzhou) Corporation	Sales	$ 14,752	-	Processed at a price before mark-up	To be determined subject to the capital status	To be determined subject to the capital status	$ -	-	$ -	(Note 1)
Data Image (Suzhou) Corporation	Purchases (commissioned processing)	1,134,344	55%	Made at the general purchase price	To be determined subject to the capital status	To be determined subject to the capital status	(294,000)	76	-	(Note 1)

Note 1: The Company sells raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchases partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income and cost are expressed at a net amount. In addition, after offsetting the relevant accounts receivable and payable, collection and payment will be made based on its capital status and the balance after offsetting accounts receivable and payable on December 31, 2023.

Note 2: Transactions between consolidated companies have been fully written off when preparing the consolidated financial statements.

Independent Auditors' Report

The Board of Directors and Shareholders
Data Image Corporation

Opinion

We have audited the accompanying financial statements of Data Image Corporation, which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Data Image Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for the Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in Data Image Corporation's financial statements for the year ended December 31, 2022 is stated as follows:

Occurrence of operating income

Data Image Corporation is engaged in the design, manufacturing, and sales of LCD touch modules and LCD modules. As LCD touch modules and LCD module manufacturing customize products and make development according to different purposes and needs of customers, the sources of operating income are concentrated on specific customers. Although the operating income in 2023 decreased from the same period of last year, the operating income from specific customers increased from the same period last year, and the occurrence of the related sales transactions has a significant impact on the presentation of the financial statements; therefore, we include the occurrence of the abovementioned operating income from customers as a key audit matter.

Corresponding audit procedures

Our audit procedures for the key audit matters above include understanding the major internal control design and the effectiveness of implementation, and sampling and implementing relevant audits to ensure that the income transactions occurred.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Data Image Corporation'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 Data Image Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Data Image Corporation'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 Data Image Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Data Image Corporation to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chuan Yeh and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 1, 2024

Notice to Readers

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Data Image Corporation

Balance Sheet

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 364,246	17	$ 464,514	18
1110	Financial assets at fair value through profit or loss - Current (Note 7)	4,246	-	113	-
1170	Accounts receivable (Notes 8 and 19)	336,514	15	458,568	18
1180	Accounts receivable from related parties (Notes 19 and 25)	7,277	1	107,736	4
1200	Other receivables (Note 8)	4,296	-	5,054	-
130X	Inventories (Note 9)	311,735	14	442,286	17
1470	Other current assets (Notes 14 and 25)	6,370	-	9,444	-
11XX	Total current assets	1,034,684	47	1,487,715	57
	Non-current assets				
1550	Investment accounted for using the equity method (Note 10)	1,103,917	50	1,047,495	40
1600	Property, plant and equipment (Notes 11 and 25	23,551	1	30,563	1
1755	Right-of-use assets (Notes 12 and 25)	13,231	1	20,728	1
1780	Intangible assets	3,109	-	4,401	-
1840	Deferred tax assets (Note 21)	6,983	-	6,526	-
1975	Net defined benefit assets - Non-current (Note 13)	2,196	-	2,196	-
1990	Other non-current assets (Notes 14 and 26)	9,962	1	9,881	1
15XX	Total current assets	1,162,949	53	1,121,790	43
1XXX	Total assets	$ 2,197,633	100	$ 2,609,505	100
Code	Liabilities and equity				
	Current liabilities				
2120	Financial liabilities at fair value through profit or loss - Current (Note 7)	$ -	-	$ 1,485	-
2130	Contract liabilities - Current (Note 19)	79,864	4	81,108	3
2150	Notes payable (Note 16)	307	-	214	-
2170	Accounts payable (Note 16)	141,616	6	248,176	10
2180	Accounts payable from related parties (Note 25)	315,742	14	261,659	10
2200	Other payables (Note 17)	83,445	4	106,938	4
2220	Other payables from related parties (Note 25)	10,891	1	11,198	1
2230	Current tax liabilities (Note 21)	59,343	3	88,114	3
2250	Provisions - Current	4,283	-	6,187	-
2280	Lease liabilities - Current (Notes 12 and 25)	10,105	-	10,571	-
2320	Long-term borrowings due within one year (Note 15)	-	-	26,667	1
2399	Other current liabilities	2,142	-	1,997	-
21XX	Total current liabilities	707,738	32	844,314	32
	Non-current liabilities				
2540	Long-term borrowings (Note 15)	-	-	193,333	7
2570	Deferred tax liabilities (Note 21)	2,206	-	2,279	-
2580	Lease liabilities - Non-current (Notes 12 and 25)	4,177	-	11,522	1
25XX	Total non-current liabilities	6,383	-	207,134	8
2XXX	Total liabilities	714,121	32	1,051,448	40
	Equity				
3110	Share capital	693,996	32	693,996	27
3200	Capital surplus	60,000	3	60,000	2
	Retained earnings				
3310	Legal reserve	137,054	6	94,830	4
3320	Special reserve	20,397	1	26,299	1
3350	Unappropriated earnings	598,919	27	703,329	27
3300	Total retained earnings	756,370	34	824,458	32
3400	Other equity	(26,854)	(1)	(20,397)	(1)
3XXX	Total equity	1,483,512	68	1,558,057	60
	Total liabilities and equity	$ 2,197,633	100	$ 2,609,505	100

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

Data Image Corporation

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
4000	Operating revenue (Notes 19 and 25)	$ 3,004,078	100	$ 3,933,071	100
5000	Operating cost (Notes 9, 20, and 25)	2,485,140	83	3,296,386	84
5900	Gross profit	518,938	17	636,685	16
5910	Unrealized gain on transactions	-	-	(677)	-
5920	Realized gain on transactions	303	-	-	-
5950	Realized gross profit	519,241	17	636,008	16
	Operating expenses (Notes 20 and 25)				
6100	Selling expenses	66,788	2	62,103	1
6200	General and administrative expenses	111,407	4	101,545	3
6300	Research and development expenses	99,126	3	92,090	2
6450	Expected credit gain	(613)	-	(1,885)	-
6000	Total operating expenses	276,708	9	253,853	6
6900	Operating income	242,533	8	382,155	10
	Non-operating income and expenses (Notes 20 and 25)				
7100	Interest income	3,930	-	792	-
7020	Other gains and losses	852	-	34,148	1
7050	Finance cost	(2,014)	-	(5,331)	-
7070	Share of profit or loss of associates	83,840	3	95,378	2
7000	Total non-operating income and expenses	86,608	3	124,987	3
7900	Income before income tax	329,141	11	507,142	13
7950	Income tax expense (Note 21)	50,278	2	85,277	2
8200	Net profit for the year	278,863	9	421,865	11

(Continued)

Data Image Corporation

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars; Except Earnings Per Share)

		2023		2022	
Code		Amount	%	Amount	%
	Other comprehensive income (Note 18)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8330	Share of other comprehensive income of subsidiaries accounted for using the equity method	$ 612	-	($ 75)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	(2)	-	822	-
8380	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	(7,020)	-	5,533	-
8300	Other comprehensive income (loss) for the year, net of income tax	(6,410)	-	6,280	-
8500	Total comprehensive income for the year	$ 272,453	9	$ 428,145	11
	Earnings per share (Note 22)				
9750	Basic earnings per share	$ 4.02		$ 6.08	
9850	Diluted earnings per share	$ 3.99		$ 5.99	

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

Data Image Corporation

Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

				Retained Earnings (Note 18)			Other Equity Items (Note 18)		
Code		Share Capital (Note 18)	Capital Surplus (Note 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Valuation Gains or Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
A1	Balance on January 1, 2022	$ 693,996	$ 60,000	$ 63,533	$ 27,809	$ 519,072	($ 26,331)	$ 32	$ 1,338,111
	Appropriation of 2021 earnings								
B1	Legal reserve	-	-	31,297	-	(31,297)	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(208,199)	-	-	(208,199)
		-	-	31,297	-	(239,496)	-	-	(208,199)
B17	Reversal of special reserve	-	-	-	(1,510)	1,510	-	-	-
D1	Net profit for the year ended December 31, 2022	-	-	-	-	421,865	-	-	421,865
D3	Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	378	6,355	(453)	6,280
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	422,243	6,355	(453)	428,145
Z1	Balance on December 31, 2022	693,996	60,000	94,830	26,299	703,329	(19,976)	(421)	1,558,057
	Appropriation of 2022 earnings								
B1	Legal reserve	-	-	42,224	-	(42,224)	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(346,998)	-	-	(346,998)
		-	-	42,224	-	(389,222)	-	-	(346,998)
B17	Reversal of special reserve	-	-	-	(5,902)	5,902	-	-	-
D1	Net profit for the year ended December 31, 2023	-	-	-	-	278,863	-	-	278,863
D3	Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	47	(7,022)	565	(6,410)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	278,910	(7,022)	565	272,453
Z1	Balance on December 31, 2023	$ 693,996	$ 60,000	$ 137,054	$ 20,397	$ 598,919	($ 26,998)	$ 144	$ 1,483,512

The accompanying notes are an integral part of financial statements.

Data Image Corporation

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities		
A10000	Income before income tax	$ 329,141	$ 507,142
A20010	Adjustments for:		
A20100	Depreciation expense	21,619	21,106
A20200	Amortization expense	1,992	2,217
A20300	Expected credit reversal recognized	(613)	(1,885)
A20400	Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	16,234	41,802
A20900	Finance cost	2,014	5,331
A21200	Interest income	(3,930)	(792)
A22400	Share of profit or loss of subsidiaries and associates	(83,840)	(95,378)
A22500	Gains on disposal of property, plant and equipment	(211)	-
A23800	Write-down of inventories	1,291	139
A23900	Unrealized gain on transactions with associates	-	677
A24000	Realized gain on transactions with associates	(303)	-
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	24,940	57,193
A31150	Accounts receivable	122,667	353,812
A31160	Accounts receivable from related parties	100,459	(35,893)
A31180	Other receivables	761	4,457
A31190	Other receivables from related parties	-	(302)
A31200	Inventories	129,260	(16,877)
A31230	Prepayments	1,728	1,659
A31240	Other current assets	1,346	(1,378)
A32110	Financial liabilities at fair value through profit or loss	(46,792)	(96,515)
A32125	Contract liabilities - Current	(1,244)	50,094
A32130	Notes payable	93	(21)
A32150	Accounts payable	(106,560)	(133,303)
A32160	Accounts payable from related parties	54,083	30,644
A32180	Other payables	(21,259)	2,128
A32190	Other payables from related parties	(307)	3,433

(Continued)

Data Image Corporation

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
A32200	Provisions	($ 1,904)	$ 2,314
A32230	Other current liabilities	145	757
A33000	Cash generated from operations	540,810	702,561
A33100	Interest received	3,927	787
A33300	Interest paid	(2,094)	(5,836)
A33500	Income tax paid	(79,124)	(69,737)
AAAA	Net cash generated from operating activities	463,519	627,775
	Cash flows from investing activities		
B02700	Payments for property, plant and equipment	(6,709)	(2,611)
B02800	Proceeds from disposal of property, plant and equipment	495	-
B03700	Increase in refundable deposits	(22)	(1,442)
B03800	Decrease in refundable deposits	-	842
B04500	Payments for intangible assets	(700)	(2,823)
B06700	Increase in other non-current assets	-	(115)
B07600	Dividend received	20,856	11,561
BBBB	Net cash generated from investing activities	13,920	5,412
	Cash flows from financing activities		
C00200	Repayments of short-term borrowings	-	(452,938)
C01600	Proceeds from long-term borrowings	-	220,000
C01700	Repayments of long-term borrowings	(220,000)	(100,000)
C04020	Repayment of the principal portion of lease liabilities	(10,709)	(9,923)
C04500	Dividends paid	(346,998)	(208,199)
CCCC	Net cash used in financing activities	(577,707)	(551,060)
EEEE	Net (decrease) increase in cash and cash equivalents	(100,268)	82,127
E00100	Cash and cash equivalents at the beginning of the year	464,514	382,387
E00200	Cash and cash equivalents at the end of the year	$ 364,246	$ 464,514

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

Data Image Corporation

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. General information

Data Image Corporation (the "Company") was approved by the Ministry of Economic Affairs on November 22, 1997 for establishment. Its scope of business is the design, manufacturing, and sales of LCD touch modules and LCD modules.

The Company's shares were approved by Taipei Exchange in April 2004 to be traded on the Emerging Stock Market.

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

II. Date and procedure for approving the financial statements

These financial statements were approved by the Board on March 1, 2024.

III. Application of new and amended standards and interpretations

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not result in significant changes in the Company's accounting policies and did not have a significant impact on the financial position and financial performance of the Company.

(II) IFRS Accounting Standards approved by the FSC applicable in 2024

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classifying Debts 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 Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new/amended/revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: Partial disclosure requirements are exempted upon the initial application of the amendments.

As of the publication date of the financial statements, the Company has assessed that the amendments to the above standards and interpretations have not caused a significant impact on its financial position and financial performance.

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

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Assets Sale or Contribution between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new/amended/revised standards and interpretations are effective for annual periods beginning on or after their respective effective dates.

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

As of the publication date of the financial statements, the Company has continued to assess the impact of the amendments to the above standards and interpretations on its financial position and financial performance; relevant impacts will be disclosed upon the completion of the assessment.

IV. Summary of significant accounting policies

(I) Compliance statement

The financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for financial instruments at fair value and net defined benefit assets recognized at the current value of the defined benefit obligations less the fair value of plan assets, the financial statements are prepared on the basis of historical cost.

The fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 inputs: Refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

2. Level 2 inputs: Refer to inputs, other than quoted prices in Level 1, that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices) for the asset or liability.

3. Level 3 inputs: Refer to unobservable inputs for the asset or liability.

When the Company prepared the financial statements, the Company adopted the equity method to account for its investment in subsidiaries and associates. To allow profit or loss of the year, other comprehensive income, and equity in the financial statements to be equivalent to profit or loss of the year, other comprehensive income attributable to the owners of the Company in the Company's consolidated financial statements, adjustments were made to "investments accounted for using the equity method," "share of profit or loss of associates recognized using the equity method," and "share of other comprehensive income of subsidiaries and associates recognized using the equity method" and relevant equity items for certain differences in accounting treatment between the individual basis and the consolidation basis.

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

Current assets include:

1. Assets held mainly for the purpose of trading;

2. Assets expected to be realized within 12 months after the balance sheet date; and

3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Non-current liabilities include:

1. Liabilities held mainly for the purpose of trading;

2. Liabilities due to be settled within 12 months after the balance sheet date; and

3. Liabilities for which the settlement period cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

When the Company prepares its financial statements, transactions denominated in currencies other than the functional currency of the Company (foreign currency) are translated into functional currency in accordance with the exchange rates prevailing on the transaction date.

Monetary items denominated in foreign currencies are translated at the rates prevailing at the end of each reporting period. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the year in which they occur.

Non-monetary items in foreign currency measured at historical cost are translated at the exchange rate on the transaction date and will not be retranslated.

When preparing the financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates with the country of operation or currency used being different from the Company's) are translated into NTD at the exchange rate prevailing on each balance sheet date. Gaines and expenses are translated at the average exchange rates for the year. The resulting exchange differences are recognized in other comprehensive income.

(V) Inventories

Inventories include raw materials, merchandise, finished goods, and work-in-progress. Inventories are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. The net realizable value refers to the balance of the estimated selling price under normal circumstances, less the estimated cost of completion and the estimated cost of sales. The cost of inventories is calculated by using the weighted average method.

(VI) Investment in subsidiaries

The Company accounts for its investment in subsidiaries by using the equity method. A subsidiary is an entity (including structured entities) that is controlled by the Company.

Under the equity method, investments are initially recognized at cost; subsequent to the acquisition date, the carrying amount increases/decreases in accordance with the share of the profit or loss and other comprehensive income of subsidiaries and profit distribution that the Company is entitled to. In addition, the changes in the equity in the subsidiaries that the Company is entitled to are recognized based on the shareholding ratio.

When the Company assesses the impairment, it considers the CGU as a whole and compares the recoverable amount with the carrying amount. If the recoverable amount of the asset increases subsequently, the reversal of the impairment loss will be recognized as a gain. However, the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would have been appropriated if the impairment loss had not been recognized less carrying amount after amortization.

Unrealized gains and losses on downstream transactions between the Company and its subsidiaries are written off in the financial statements. The gains or losses arising from the countercurrent and side-stream transactions between the Company and a subsidiary are recognized in the financial statements only to the extent that it is irrelevant to the Company's interest in the associate.

(VII) Investment in associates

An associates is an enterprise in which the Company has significant influence but is not a subsidiary or a joint venture.

The Company adopts the equity method to account for its investment in associates.

Under the equity method, investments in associates are initially recognized at cost; subsequent to the acquisition date, the carrying amount increases/decreases in accordance with the share of the profit or loss and other comprehensive income of associates and profit distribution that the Company is entitled to. In addition, the changes in the equity in the associates that the Company is entitled to are recognized based on the shareholding ratio.

The amount of the acquisition cost exceeding the Company's share of the net fair value of the identifiable assets and liabilities of the associates on the acquisition date is presented as goodwill. The goodwill is included in the carrying amount of the investment and shall not be amortized. The amount by which the Company's share of the net fair worth of identifiable assets and liabilities of the associates on the acquisition date exceeds the acquisition cost and is presented as profit or loss of the year.

When assessing impairments, the Company treats the entire carrying amount (including goodwill) of the investment as a single asset for impairment test by comparing its recoverable amount and carrying amount. The impairment losses recognized are not allocated to any asset (including goodwill) that is a component of the carrying amount of the investment. Any reversal of the impairment loss shall be recognized within the scope of the subsequent increase in the recoverable amount of the investment.

The gains or losses arising from the countercurrent, downstream and side-stream transactions between the Company and an associate are recognized in the financial statements only to the extent that it is irrelevant to the Company's interest in the associate.

(VIII) Property, plant and equipment

Property, plant and equipment are stated at cost. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful lives. The Company shall examine the estimated useful life, residual value and depreciation method at least once at the end of each year. Also, the impact of changes in the applicable accounting estimates shall be deferred.

When property, plant and equipment are derecognized, the difference between the net disposal consideration and the carrying amount of the asset is recognized in profit or loss for the year.

(IX) Intangible assets

1. Acquired separately

   Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the useful lives. The Company shall examine the estimated useful life, residual value and depreciation method at least once at the end of each year. Also, the impact of changes in the applicable accounting estimates shall be deferred.

2. Derecognition

   When an intangible asset is derecognized, the difference between the net disposal consideration and the carrying amount of the asset is recognized in profit or loss for the year.

(X) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

The Company assesses at each balance sheet date whether there are any indications of possible impairment of property, plant and equipment, right-of-use assets, and intangible assets. If there is any indication of impairment, it estimates the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the CGU to which the asset belongs. Common assets are allocated to the smallest CGU group on a consistent basis.

The recoverable amount is the fair value less the cost of sales and its value in use, whichever is higher. If the recoverable amount of an individual asset or CGU is lower than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the carrying amount determined if the asset or CGU had not recognized impairment losses in prior years (less amortization or depreciation). Reversal of impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at the fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

The types of financial assets held by the Company are financial assets measured at amortized cost and financial assets at fair value through profit or loss.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated by the Company to be measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value, and the dividends and interest generated are recognized in other income and interest income, respectively, and gains or losses arising from remeasurement are recognized in other gains and losses. Please refer to Note 24 for the determination of fair value.

B. Financial assets at amortized cost

If the investment in financial assets of the Company meets the following two conditions at the same time, it is classified as financial assets measured at amortized cost:

a. Held within a business model where the objective is to hold financial assets in order to collect contractual cash flows; and

b. The terms of the contract give rise to cash flows on a specific date, which are solely for the payment of the principal and interest on the principal amount outstanding.

After the initial recognition of financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other receivables and refundable deposits), they are measured at the total carrying amount determined by using the effective interest method less any amortized cost of impairment losses, and any currency exchange gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amounts of cash at any time with little risk of value changes within three months from the date of acquisition, and bonds with repurchase agreements, which are used to meet short-term cash commitments.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets at amortized cost (including accounts receivable) based on the expected credit loss (ECL) on each balance sheet date.

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECL. For other financial assets, we first assess whether there has been a significant increase in credit risk since the initial recognition. If there is no significant increase in the credit risk, the allowance for loss is recognized at an amount equal to 12-month ECLs. If there is a significant increase, it is recognized loss allowance at an amount equal to the lifetime ECL.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month ECL represents the expected credit loss generated by the possible default of the financial instrument within 12 months after the reporting date, and the lifetime ECL represents the expected credit loss generated by all possible defaults of the financial instrument during the expected lifetime of the financial instrument.

The impairment loss of all financial assets is based on the reduction of the carrying amount through the allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset are expired or transferred or when nearly all risks and rewards of ownership of the asset are transferred to another enterprise.

On the derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss.

2. Equity instruments

The equity instruments issued by the Company are recognized at the acquisition consideration less direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses.

(2) Derecognition of financial liabilities

When derecognizing a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

4. Derivatives

The Company entered into derivatives, including forward exchange contracts and foreign exchange swap contracts, to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value when a derivative contract is entered into and are subsequently remeasured at fair value on the balance sheet date, with the gain or loss arising from subsequent measurements recognized directly in profit or loss. When the fair value of a derivative financial instrument is positive, the derivative is classified as a financial asset; when the fair value of the derivative is negative, it is classified as a financial liability.

(XII) Provisions

The amount recognized as provisions takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. Provisions is measured based on the estimated cash flow to settle the present obligation.

(XIII) Revenue recognition

After the Company identifies the performance obligation in the customer contract, the transaction price is allocated to each performance obligation, and revenue is recognized when each performance obligation is satisfied.

1. Sale of goods

The Company recognizes revenue when the control over the product is transferred. That is, when the product arrives at the customer's designated location, the customer is entitled to set the price and use the product, bears the main responsibility for resale, and assumes the obsolescence risk; the Company recognizes revenue and accounts receivable at that time point.

For processing without imported materials, the control of the ownership of the processed products has not been transferred; therefore, materials are not recognized as revenue.

2. Provision of services

Service revenue is the provision of product processing services; that is, it is recognized when the processed products arrive at the designated location of the customer.

(XIV) Leases

The Company assesses whether the contract is (or contains) a lease on the date of establishment of the contract.

<u>The Company as the lessee</u>

Except for low-value asset leases and short-term leases to which a recognition exemption applies, for which lease payments are recognized as expenses on a straight-line basis over the lease terms, right-of-use assets and lease liabilities are recognized for other leases on the lease commencement date.

The right-of-use assets are initially measured at cost (including the initially measured amount of the lease liabilities) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss, and adjusted for the remeasured amount of the lease liability. Right-of-use assets are presented on a separate line in the balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liabilities are measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If there is a change in future lease payments during the lease term or the changes in the index or rates used to determine the lease payment, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount shall be recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

(XV) Borrowing costs

All other borrowing costs are recognized as profit or loss during the year of occurrence.

(XVI) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Retirement benefits

For the pension under the defined contribution plan, the amount of pension to be contributed is recognized as expenses during the service period of the employees.

The defined benefit cost of the defined benefit pension plan (including service cost, net interest and remeasurement) is actuated using the projected unit benefit method. Service cost and net interest of net defined benefit liabilities (assets) are recognized as employee benefit expenses as they occur. Remeasurement (including actuarial gains and losses and the return on plan assets, net of interest) is recognized in other comprehensive income at the time of occurrence and included in retained earnings, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the appropriation deficit (surplus) of the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of the refundable contributions from the plan or the reduced future contributions.

(XVII) Taxation

Income tax expenses represent the sum of current tax and deferred tax.

1. Current tax

   The Company determines the income (loss) of the current period in accordance with the regulations of each jurisdiction for income tax filings and calculates the income taxes payable (recoverable) accordingly.

   In accordance with the Income Tax Act of the R.O.C., an additional tax on unappropriated earnings is recognized in the year when a resolution is adopted at a shareholders' meeting.

   Adjustments to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

   Deferred tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

   Deferred tax liabilities are generally recognized based on all taxable temporary differences. Deferred tax assets are generally recognized when it is probable that taxable income will be available to deduct the temporary differences.

   The taxable temporary differences related to the investment in subsidiaries and associates are recognized as deferred tax liabilities. However, if the Company can control the time point of the temporary difference reversal, and the temporary difference is likely to be reversed in the foreseeable future, excluding those that will not be reversed. The deductible temporary difference related to such investment is recognized as deferred tax assets only when it is probable that there will be sufficient taxable income to realize the temporary difference, and it is expected to be reversed in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed at each balance sheet date, and the carrying amount is reduced if it is no longer probable that sufficient taxable income will be available to allow all or part of the recovery of the assets. For those not recognized as deferred tax assets initially, they are also being reviewed at each balance sheet date, and the carrying amount is increased if it is probable that taxable income will be available to allow all or part of the recovery of the assets.

   Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized based on tax rates and tax laws that have been substantially enacted on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When adopting accounting policies, the Company's management shall make judgments, estimates and assumptions that are based on historical experiences and other factors that are not readily available from other sources. Actual results may differ from estimates. The management will continue to review the estimates and basic assumptions.

The accounting policies, estimates and basic assumptions adopted by the Company have been evaluated by the management of the Company, and there are no significant accounting judgment, estimate and assumption uncertainties.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 1	$ 1
Checking accounts and demand deposits	321,045	426,213
Cash equivalents		
Time deposits	43,200	38,300
	$ 364,246	$ 464,514

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets - Current		
Financial assets mandatorily measured as at fair value through profit or loss		
Derivatives instruments (not under hedge accounting)		
Foreign exchange swap contract (I)	$ 4,246	$ 72
Foreign currency forward contracts (II)	-	41
	$ 4,246	$ 113
Financial liabilities - Current		
Held for trading		
Derivatives instruments (not under hedge accounting)		
Foreign exchange swap contract (I)	$ -	$ 1,201
Foreign currency forward contracts (II)	-	284
	$ -	$ 1,485

(I) The foreign exchange swap contracts not subject to hedge accounting and not yet due on the balance sheet date are as follows:

December 31, 2023

	Currency	Maturity Date	Contract amount (In thousand)
Sell	USD/NTD	2024.01.05~ 2024.01.25	USD 7,250/NTD 226,580

December 31, 2022

	Currency	Maturity Date	Contract Amount (In Thousand)
Sell	USD/NTD	2023.01.03~2023.01.19	USD 16,100/NTD 493,116

The purpose of the Company's forward exchange contracts is to avoid the risks of assets and liabilities denominated in foreign currencies due to exchange rate fluctuations.

(II) The foreign currency forward contracts not subject to hedge accounting and not yet due on the balance sheet date are as follows:

December 31, 2022

	Currency	Maturity Date	Contract Amount (In thousand)
Sell	USD/RMB	2023.01.09~2023.01.19	USD 5,500/RMB 38,313

The purpose of the Company's forward exchange transactions is to avoid the risks of assets and liabilities denominated in foreign currencies due to exchange rate fluctuations.

VIII. Accounts receivable and other receivables

	December 31, 2023	December 31, 2022
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 338,205	$ 460,872
Less: Loss allowance	(1,691)	(2,304)
	$ 336,514	$ 458,568
Other receivables		
Business tax refunds receivable	$ 4,100	$ 4,853
Others	196	201
	$ 4,296	$ 5,054

The Company's average credit period for sales is upon shipment or O/A 30 to 90 days. No interest is accrued on accounts receivable. The Company shall consider the changes in the credit quality from the initial credit date to the balance sheet date. The Company will use publicly available financial information and historical transaction records to rate new customers and major customers, respectively. The Company continuously monitors the credit exposure and the credit rating of the counterparties and manages the exposure through second reviews and the approval of credit limits for counterparties.

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECL. The lifetime ECLs are calculated using an allowance matrix, which takes into account the customer's past default history and current financial position. As the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups and only sets the ECL rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the relevant accounts receivable; however, it will continue to collect the receivables. The amount recovered through collection is recognized in profit or loss.

The Company's loss allowance on accounts receivable, measured based on the allowance matrix, is as follows:

December 31, 2023

	Not Past Due	Overdue 1 to 90 Days	Total
Expected credit loss rate	0.5%	0.5%	
Gross carrying amount	$ 292,224	$ 45,981	$ 338,205
Loss allowance (lifetime ECL)	(1,461)	(230)	(1,691)
Amortized cost	$ 290,763	$ 45,751	$ 336,514

December 31, 2022

	Not Past Due	Overdue Due 1 to 90 Days	Overdue Due 91 to 180 Days	Total
Expected credit loss rate	0.5%	0.5%	0.5%	
Gross carrying amount	$ 430,821	$ 28,815	$ 1,236	$ 460,872
Loss allowance (lifetime ECL)	(2,154)	(144)	(6)	(2,304)
Amortized cost	$ 428,667	$ 28,671	$ 1,230	$ 458,568

Information on changes in the loss allowance for accounts receivable is as follows:

	2023	2022
Balance at January 1	$ 2,304	$ 4,189
Less: Impairment loss reversed during the year	(613)	(1,885)
Balance at December 31	$ 1,691	$ 2,304

IX. Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 179,772	$ 262,246
Work in process	62,867	63,755
Finished goods	28,553	90,113
Merchandise	40,543	26,172
	$ 311,735	$ 442,286

The nature of cost of goods sold is as follows:

	2023	2022
Cost of inventory sold	$ 2,481,093	$ 3,292,740
Inventory write-downs	1,291	139
Inventory scrapping losses	2,756	3,507
	$ 2,485,140	$ 3,296,386

X. Investment accounted for using the equity method

	December 31, 2023	December 31, 2022
Investment in subsidiaries	$ 1,095,043	$ 1,039,738
Investment in associates	8,874	7,757
	$ 1,103,917	$ 1,047,495

(I) Investment in subsidiaries

	December 31, 2023	December 31, 2022
Listed company		
DIVA Laboratories, Ltd.	$ 622,870	$ 623,479
Unlisted company		
Data Image (MAURITIUS) Corporation	472,173	416,259
	$ 1,095,043	$ 1,039,738

	Percentage of Ownership and Voting Rights	
Name of Subsidiary	December 31, 2023	December 31, 2022
DIVA Laboratories, Ltd.	35.55%	35.55%
Data Image (MAURITIUS) Corporation	100.00%	100.00%

(II) Investment in associates

	December 31, 2023	December 31, 2022
DMC Components International, LLC	$ 8,874	$ 7,757

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2023	Proportion of Ownership and Voting Rights December 31, 2022
DMC Components International, LLC	Sales agency	Orlando, USA	30.00%	30.00%

XI. Property, plant and equipment

	Land	Buildings	Machinery	Other Equipment	Total
Cost					
Balance at January 1, 2023	$ 2,100	$ 1,358	$ 15,372	$ 41,560	$ 60,390
Additions	-	-	348	4,148	4,496
Disposals/derecognitions	-	-	-	(6,491)	(6,491)
Balance at December 31, 2023	$ 2,100	$ 1,358	$ 15,720	$ 39,217	$ 58,395
Accumulated depreciation					
Balance at January 1, 2023	$ -	$ 1,010	$ 4,255	$ 24,562	$ 29,827
Depreciation expenses	-	47	2,220	8,957	11,224
Disposals/derecognitions	-	-	-	(6,207)	(6,207)
Balance at December 31, 2023	$ -	$ 1,057	$ 6,475	$ 27,312	$ 34,844
Carrying amount at December 31, 2023	$ 2,100	$ 301	$ 9,245	$ 11,905	$ 23,551
Cost					
Balance at January 1, 2022	$ 2,100	$ 1,358	$ 11,575	$ 44,229	$ 59,262
Additions	-	-	3,797	3,774	7,571
Disposals/derecognitions	-	-	-	(6,443)	(6,443)
Balance at December 31, 2022	$ 2,100	$ 1,358	$ 15,372	$ 41,560	$ 60,390
Accumulated depreciation					
Balance at January 1, 2022	$ -	$ 964	$ 2,431	$ 21,669	$ 25,064
Depreciation expenses	-	46	1,824	9,336	11,206
Disposals/derecognitions	-	-	-	(6,443)	(6,443)
Balance at December 31, 2022	$ -	$ 1,010	$ 4,255	$ 24,562	$ 29,827
Carrying amount at December 31, 2022	$ 2,100	$ 348	$ 11,117	$ 16,998	$ 30,563

Depreciation expenses are provided for on a straight-line basis based on the following useful lives:

Buildings	30 years
Machinery	6 years
Other equipment	3 to 5 years

XII. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Buildings	$ 7,210	$ 15,540
Transportation equipment	6,021	5,188
	$ 13,231	$ 20,728

	2023	2022
Additions of right-of-use assets	$ 2,898	$ 3,987
Depreciation expenses of right-of-use assets		
Buildings	$ 8,330	$ 8,330
Transportation equipment	2,065	1,570
	$ 10,395	$ 9,900

Except for the additions and depreciation expenses recognized listed above, the Company did not have any significant sublease or impairment of the right-of-use assets in 2023 and 2022.

(III) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 10,105	$ 10,571
Non-current	$ 4,177	$ 11,522

The range of discount rates for lease liabilities is as follows:

	2023	2022
Buildings	1.35%～1.45%	1.35%～1.45%
Transportation equipment	1.30%～2.15%	1.30%～1.50%

(IV) Other lease information

	2023	2022
Expenses relating to short-term leases	$ 702	$ 444
Expenses relating to low-value asset leases	$ 963	$ 738
Total cash outflow for leases	($ 12,633)	($ 11,473)

The Company has elected to apply the recognition exemption for other equipment leases that qualify as short-term leases and low-value asset leases to not recognize the related right-of-use assets and lease liabilities for such leases.

XIII. Retirement benefit plan

(I) Defined contribution plan

The pension system under the "Labor Pension Act" applicable to the Company is a state-managed defined contribution pension plan. 6% of the monthly salary of employees is appropriated to the personal account at the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system adopted by the Company in accordance with the "Labor Standards Act" in Taiwan is a state-managed defined benefit pension plan. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The Company appropriates 2% of the total monthly salary of employees as the pension fund, which is deposited by the Labor Pension Reserve Supervisory Committee in the name of the committee in the bank at the Bank of Taiwan. Before the end of the year, if it is estimated that the balance in the account is not sufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be appropriated in a lump sum before the end of March of the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to affect the investment management strategy.

The amount of the defined benefit plan presented in the balance sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ -	$ -
Fair value of plan assets	2,196	2,196
Net defined benefit assets	$ 2,196	$ 2,196

Changes in net defined benefit assets are as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1 and December 31, 2023	$ -	$ 2,196	$ 2,196
Balance at January 1 and December 31, 2022	$ -	$ 2,196	$ 2,196

The Company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor, invests labor pension funds in domestic (foreign) equity securities, debt securities, bank deposits, and other targets through self-utilization or commissioned operation; however, the distributable amount of the plan assets of the Company shall not be less than the gains calculated based on the interest rate of two-year deposits with local banks.

2. Interest risk: A decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment of the plan assets will also increase, which will have a partially offsetting effect on the net defined benefit liability.

3. Salary risk: The calculation of the present value of the determined benefit obligation is based on the future salary of the members of the plan. Therefore, an increase in the salary of the plan members will increase the present value of the defined benefit obligation.

XIV. Other assets

	December 31, 2023	December 31, 2022
Current		
Prepayments	$ 6,156	$ 7,884
Others	214	1,560
	$ 6,370	$ 9,444
Non-current		
Refundable deposits	$ 4,503	$ 4,481
Prepayment for equipment	234	175
Others	5,225	5,225
	$ 9,962	$ 9,881

For the amount of other non-current assets pledged as collateral, please refer to Note 26.

XV. Borrowings

Long-term borrowings

	December 31, 2023	December 31, 2022
Credit borrowings	$ -	$ 220,000
Less: Current portion	-	(26,667)
	$ -	$ 193,333

The interest rate range is as follows:

	December 31, 2023	December 31, 2022
Credit borrowings	-	1.65%～1.87%

The Company borrowed $100,000 thousand from Shin Kong Bank in March 2022, and it commenced to repay the principal of $16,667 thousand on a quarterly basis for six installments in December 2023. The Company has fully settled in advance in the first quarter of 2023.

The Company borrowed $10,000 thousand and $70,000 thousand from Yuanta Commercial Bank in July and August 2022, and it commenced to repay the principal on a quarterly basis for four installments in October 2023; the first three installments repay $10,000 thousand principal, and the remaining repaid in the fourth installment. The Company has fully settled in advance in the second quarter of 2023.

The Company borrowed $40,000 thousand from E.Sun Commercial Bank in November 2022, and it commenced to repay the principal of $2,222 thousand on a monthly basis for 18 installments in June 2024. The Company has fully settled in advance in the second quarter of 2023.

XVI. Notes payable and accounts payable

	December 31, 2023	December 31, 2022
Notes payable		
Operating	$ 307	$ 214
Accounts payable		
Operating	$ 141,616	$ 248,176

XVII. Other payables

	December 31, 2023	December 31, 2022
Remunerations of employee	$ 28,856	$ 38,482
Payables for salaries or bonuses	28,497	32,540
Payables for annual leave	6,094	6,281
Remunerations of directors	2,705	4,123
Payables for Freights	2,612	7,480
Others	14,681	18,032
	$ 83,445	$ 106,938

XVIII. Equity

(I) Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Issued and paid shares (in thousands)	69,400	69,400
Issued capital	$ 693,996	$ 693,996

The ordinary shares issued have a par value of $10 per share, and each share is entitled to one voting right and the right to receive dividends.

In order to introduce strategic investors and meet the capital needs for future operations, the Company's shareholders' meeting on June 20, 2018 resolved to carry out a capital increase in cash through the private placement of 20,000 thousand ordinary shares. On November 7, 2018, the Board approved the resolution that the intended place for the private placement of ordinary shares shall be Qisda Corporation, the base day for the capital increase shall be November 20, 2018, and the issuance shall be made in premium at $13 per share. The capital increase in cash through the private placement raised a total of $260,000 thousand in cash and issued 20,000 thousand shares. The paid-in capital after the capital increase was $693,996 thousand, and the alteration registration was completed on December 18, 2018.

The rights and obligations of the aforementioned new shares under the private placement are the same as those of the Company's issued ordinary shares, except that in accordance with Article 43-8 of the Securities and Exchange Act, the ordinary shares under the private placement may not be freely transferred within three years after the delivery. The Board was authorized to apply to the competent authorities for a supplementary public offering and listing on the TPEx for the trading of the ordinary shares three years after the delivery of the ordinary shares in accordance with the relevant laws and regulations, which was approved and filed for validity by the FSC on April 26, 2022.

On December 27, 2023, the Board resolved to perform a capital increase in cash through the issuance of 8,700 shares with a par value of $10 per share and an issuance price of $50 per share in premium, which was approved by the competent authority on January 9, 2024, and the base day for the capital increase was March 22, 2024.

(II) Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 60,000	$ 60,000

Note: The capital surplus can be used to make up for losses, and can be used to distribute cash or capitalize on share capital when the Company has no losses. However, it shall be limited to a certain ratio of the paid-in capital each year when capitalizing on share capital.

(III) Retained earnings and dividend policy

According to the Articles of Incorporation, the Company authorizes the Board to make a special resolution to distribute dividends and bonuses that should be distributed, in the form of cash, and report to the shareholders' meeting.

In accordance with the earning distribution policy of the Articles of Incorporation, if there is a profit in the final accounting, the Company shall pay tax and make up past losses, and then appropriate 10% as the legal reserve. However, when the legal reserve amounts to the Company's paid-in capital, the appropriation is not required. For the remaining, it shall appropriate or reverse the special reserve according to laws and regulations. If there is any remaining balance, the Board shall prepare a proposal for the distribution of the earnings, together with the accumulated unappropriated earnings, and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. Regarding the distribution policies for the remuneration of employees and Directors specified in the Articles of Incorporation, please refer to Note 20(6) Remuneration of employees and remuneration of Directors.

The Company’s dividend policy complies with the current and future development plans, taking investment environments, capital requirements, and domestic/foreign competition status into account, and considers shareholders’ interest and other factors. Shareholders’ dividends or bonuses may be distributed in cash or stocks, in which cash dividends shall be no less than 10% of the total dividend.

The legal reserve shall be appropriated until the balance reaches the paid-in capital of the Company. Legal reserves may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital, and when the Company has no losses, it can be appropriate to capital and distributed in cash.

The proposals of the Company for 2022 and 2021 are as follows:

	2022	2021
Legal reserve	$ 42,224	$ 31,297
Special reserve	($ 5,902)	($ 1,510)
Cash dividends	$ 346,998	$ 208,199
Cash dividends per share (NT$)	$ 5.0	$ 3.0

The above cash dividends were distributed by resolutions of the Board on March 3, 2023 and March 4, 2022, respectively. The remaining earning distribution items were also resolved at the annual shareholders' meetings on June 15, 2023 and 2022, respectively.

The proposal for earning distribution for 2023 formulated by the Board on March 1, 2024 is as follows:

	2023
Legal reserve	$ 27,891
Special reserve	$ 6,457
Cash dividends	$ 277,598
Cash dividends per share (NT$)	$ 4.0

The above cash dividends have been distributed by the resolution of the Board, and the remaining are to be resolved at the annual shareholders' meeting to be convened on May 28, 2024.

(IV) Special reserve

	2023	2022
Balance at January 1	$ 26,299	$ 27,809
Special reserve		
Reversal of the debits to other equity items	(5,902)	(1,510)
Balance at December 31	$ 20,397	$ 26,299

The special reserve provided due to the exchange differences on the translation of the financial statements of foreign operations (including subsidiaries) is reversed in accordance with the Company's disposition ratio. When the Company loses its significant influence, the entire amount is reversed. When distributing earnings, a special reserve shall be provided supplementary for the difference of the special reserve provided for the net reduction to other equity accounted for at the end of the reporting period. Subsequently, if the balance of the reduction to other equity is reversed, the special reserve may be reversed regarding the reversed part for the distribution of earnings.

(V) Other equity

1. Exchange differences on the translation of financial statements of foreign operations

	2023	2022
Balance at January 1	($ 19,976)	($ 26,331)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(2)	822
Shares from subsidiaries accounted for using the equity method	(7,020)	5,533
Other comprehensive income recognized for the year	(7,022)	6,355
Balance at December 31	($ 26,998)	($ 19,976)

2. Unrealized valuation gains (losses) on financial assets at fair value through other comprehensive income

	2023	2022
Balance at January 1	($ 421)	$ 32
Recognized for the year		
Shares from subsidiaries accounted for using the equity method	565	(453)
Other comprehensive income recognized for the year	565	(453)
Balance at December 31	$ 144	($ 421)

XIX. Revenue

(I) Breakdown of revenue from contracts with customers

	2023	2022
LCD touch module	$ 2,475,700	$ 2,761,986
LCD module	487,391	1,134,080
Others	40,987	37,005
	$ 3,004,078	$ 3,933,071

(II) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$ 336,514	$ 458,568	$ 810,495
Accounts receivable from related parties	$ 7,277	$ 107,736	$ 71,843
Contract liabilities - Current	$ 79,864	$ 81,108	$ 31,014

The change in contract liabilities is mainly due to the difference between the point of time fulfilling the performance obligation and the time of payment by the customer.

The amounts recognized as income in the current year from the contract liabilities at the beginning of the year for which the performance obligations have been fulfilled are as follows:

	2023	2022
From contract liabilities at the start of the year	$ 41,415	$ 17,417

XX. Net profit for the year

(I) Interest income

	2023	2022
Bank deposits	$ 3,930	$ 792

(II) Other gains and losses

	2023	2022
Valuation gains (losses) on financial assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	$ 29,073	$ 55,645
Financial liabilities held for trading	(45,307)	(97,447)
Net foreign exchange gains	5,873	71,527
Gain on disposal of property, plant and equipment	211	-
Other gains	11,002	4,423
	$ 852	$ 34,148

(III) Finance cost

	2023	2022
Interest on bank loans	$ 1,755	$ 4,963
Interest on lease liabilities	259	368
	$ 2,014	$ 5,331

(IV) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 11,224	$ 11,206
Right-of-use assets	10,395	9,900
Intangible assets	1,992	2,217
	$ 23,611	$ 23,323

	2023	2022
Summary of depreciation expenses by function:		
Operating cost	$ 5,005	$ 4,801
Operating expenses	16,614	16,305
	$ 21,619	$ 21,106
Summary of amortization expenses by function:		
Operating expenses	$ 1,992	$ 2,217

(V) Employee benefit expense

	2023	2022
Short-term benefits	$ 191,782	$ 188,255
Post-employment benefits		
Defined benefit plan	5,989	5,431
Other employee benefits	18,419	17,375
	$ 216,190	$ 211,061
Summary by function:		
Operating cost	$ 49,450	$ 48,781
Operating expenses	166,740	162,280
	$ 216,190	$ 211,061

(VI) Remuneration of employees and remuneration of Directors

According to the Articles of Incorporation, if there is a profit for the year, no less than and no more than 20% shall be appropriated as the remuneration of employees, and no more than 1% shall be appropriated as the remuneration of Directors. The estimated remuneration of employees and Directors for 2023 and 2022resolved by the Board on March 1, 2024 and March 3, 2023, respectively, is as follows:

Accrual rate

	2023	2022
Compensation of employees	8.00%	7.00%
Remuneration of Directors	0.75%	0.75%

Amount

	2023	2022
	Cash	Cash
Compensation of employees	$ 28,856	$ 38,482
Remuneration of Directors	2,705	4,123

If there is still a change in the amount of the annual financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

There is no difference between the actual amounts of employees' and directors' remuneration paid for 2022 and 2021 and the amounts recognized in the financial statements for 2022 and 2021.

For information on remuneration of employees and remuneration of Directors resolved by the Board, please visit the “Market Observation Post System “of the Taiwan Stock Exchange.

XXI. Income tax

(I) Major components of income tax expenses recognized in profit or loss

	2023	2022
Current tax		
In respect of the current year	$ 49,210	$ 82,406
Income tax on unappropriated earnings	1,946	3,749
Adjustments for prior year	(348)	(2,046)
	50,808	84,109
Deferred tax		
In respect of the current year	(548)	1,137
Adjustments for prior year	18	31
	(530)	1,168
Income tax expenses recognized in profit or loss	$ 50,278	$ 85,277

The reconciliation between accounting income and income tax expense is as follows:

	2023	2022
Net profit before tax	$ 329,141	$ 507,142
Income tax expense calculated at the statutory rate	$ 65,828	$ 101,428
Nondeductible expenses in determining taxable income	17	504
Tax-exempted income	(5,055)	(2,597)
Income tax on unappropriated earnings	1,946	3,749
Unrecognized deductible temporary differences	(12,583)	(15,792)
Adjustments for prior years' tax	(348)	(2,046)
Adjustments for prior years' deferred tax	18	31
Foreign income tax	455	-
Income tax expenses recognized in profit or loss	$ 50,278	$ 85,277

(II) Current tax liabilities

	December 31, 2023	December 31, 2022
Current tax liabilities		
Income taxes payable	$ 59,343	$ 88,114

(III) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2023

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Inventory write-downs	$ 3,082	$ 258	$ 3,340
Payables for annual leave	1,256	(37)	1,219
Unrealized foreign exchange losses	-	679	679
Others	2,188	(443)	1,745
	$ 6,526	$ 457	$ 6,983

(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Investment accounted for using the equity method	$ 1,989	$ 162	$ 2,151
Unrealized foreign exchange gains	235	(235)	-
Others	55	-	55
	$ 2,279	($ 73)	$ 2,206

2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary difference			
Inventory write-downs	$ 3,054	$ 28	$ 3,082
Unrealized foreign exchange losses	1,784	(1,784)	-
Payables for annual leave	1,058	198	1,256
Others	1,590	598	2,188
	$ 7,486	($ 960)	$ 6,526
Deferred tax liabilities			
Temporary difference			
Investment accounted for using the equity method	$ 2,071	($ 82)	$ 1,989
Unrealized foreign exchange gains	-	235	235
Others	-	55	55
	$ 2,071	$ 208	$ 2,279

(IV) The deductible temporary difference of deferred tax assets not recognized in the balance sheet

	December 31, 2023	December 31, 2022
Deductible temporary differences		
Investment accounted for using the equity method	$ 56,488	$ 119,405

(V) Assessment of income tax

The profit-seeking enterprise income tax filings of the Company have been assessed by the tax collection authority up to 2021.

XXII. Earnings per share

Unit: NT$ per share

	2023	2022
Basic earnings per share	$ 4.02	$ 6.08
Diluted earnings per share	$ 3.99	$ 5.99

The earnings per share and the weighted average number of ordinary shares are as follows:

Net profit for the year

	2023	2022
Profit for the year attributable to owners of the Company	$ 278,863	$ 421,865
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 278,863	$ 421,865

Number of shares (In thousand shares)

	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	69,400	69,400
Effect of potentially dilutive ordinary shares:		
Compensation of employees	552	989
Weighted average number of ordinary shares used in the computation of diluted earnings per share	69,952	70,389

If the Company may choose to pay employees' remuneration in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee's remuneration will be paid out in stock, and the potential ordinary shares are included in the weighted average number of outstanding shares when diluted to calculate diluted earnings per share. The dilutive effect of these potential ordinary shares will also be taken into account when calculating the diluted earnings per share before the number of shares to be distributed to employees in the following year.

XXIII. Capital risk management

The Company shall conduct capital management to ensure that the Company can continue to operate with a capital structure that is most suitable for the Company's current operation and development, and make good use of various equity and debt instruments to provide the Company with the capital required for operating plans so as to achieve the target of maximized shareholders' return.

The capital structure of the Company consists of the net debt and equity of the Company.

The Company is not subject to other external capital requirements.

XXIV. Financial instruments

(I) Fair value information - Financial instruments not measured at fair value

Regarding financial instruments not measured at fair value that have near expiry dates or have receipt/payment prices in the future approximating their carrying amount, the carrying amount on the balance sheet date is adopted for the estimation of its fair value.

(II) Fair value information - Financial instruments at measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 4,246	$ -	$ 4,246

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 113	$ -	$ 113
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 1,485	$ -	$ 1,485

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument Category	Valuation Technique and Inputs
Derivatives - foreign currency forward contracts and foreign exchange swap contract	Discounted cash flow method: The future cash flows are estimated based on the forward exchange rates observable at the end of the year and the contractual exchange rates, and discounted at the discount rates that can reflect the credit risk of each counterparty.

(III) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 4,246	$ 113
Financial assets at amortized cost		
Cash and cash equivalents	364,246	464,514
Accounts receivable	336,514	458,568
Accounts receivable from related parties	7,277	107,736
Other receivables	196	201
Refundable deposits	4,503	4,481
Financial liabilities		
Measured at fair value through profit or loss		
Held for trading	-	1,485
Amortized cost		
Notes payable	307	214
Accounts payable	141,616	248,176
Accounts payable from related parties	315,742	261,659
Other payables	17,293	25,512
Other payables from related parties	10,891	11,198
Long-term borrowings (including the part due within one year)	-	220,000

(IV) Financial risk management objectives and policies

The financial risks related to the operating activities of the Company are mainly market risk, credit risk and liquidity risk. Except for market risk, which is mainly affected by external factors and is unpredictable, the remaining two risks can be generally controlled or eliminated through internal control or operating procedures. Therefore, in response to changes in market risks, the Company uses appropriate financial instrument operations to reduce the adverse effects that market risks may have on the consolidated company's financial status and financial performance.

1. Market risk

The market risks of the Company mainly include exchange rate risk and interest rate risk.

(1) Exchange rate risk

The Company engages in foreign currency-denominated sales and purchase transactions, resulting in exchange rate risk exposure of the Company. The Company manages its exposure to exchange rate risk using forward exchange contracts to the extent permitted by the policy.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, please refer to Note 28.

Sensitivity analysis

The Company is mainly affected by fluctuations in the exchange rate of the USD.

The following table details the sensitivity analysis of the Company when the exchange rate of NTD (functional currency) increases and decreases by 1% against each relevant foreign currency. The sensitivity analysis includes only outstanding monetary items in foreign currencies and forward exchange contracts designated as cash flow hedges, and adjusts their year-end translation by a 1% change in exchange rates. A positive number in the following table represents the amount of increase (decrease) in net profit before tax when NTD strengthens by 1% against USD; when NTD depreciates by 1% against USD, the impact on net profit before tax will be the same amount in negativity.

	Impact of USD	
	2023	2022
Profit and loss	$ 407	($ 1,339)

(2) Interest rate risk

The Company's risk of changes in interest rates mainly comes from short-term borrowings and long-term borrowings with fixed and floating interest rates. Changes in market interest rates will change the effective interest rate of borrowings, resulting in the risk of changes in the future fair value and cash flow.

The carrying amounts of the Company's financial assets and liabilities that are exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 44,220	$ 39,308
Financial liabilities	14,282	22,093
Cash flow interest rate risk		
Financial assets	319,731	425,963
Financial liabilities	-	220,000

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivatives on the balance sheet date. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the Company's net profit before tax for 2023 and 2022 will increase/decrease by $3,197 thousand and $2,060 thousand, respectively.

2. Credit risk

Credit risk refers to the risk related to defaults of counterparties on their contractual obligations that result in the risk of financial losses of the Company. As of the balance sheet date, the Company's maximum credit risk exposure that may be due to a counterparty's failure to perform its obligations is mainly derived from the carrying amount of the financial assets recognized in the balance sheet.

To mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Company reviews the recoverable amounts of amounts receivable on a case-by-case basis on the balance sheet date to ensure that appropriate impairment losses have been provided for uncollectible amounts receivable. Accordingly, the Company's management considers that the Company's credit risk has been significantly reduced.

Regarding the Company's accounts receivable balance as of December 31, 2023 and 2022, the amounts due from Company A, Company B, and Company C were $74,052 thousand and $76,832 thousand, $26,744 thousand and $124,485 thousand, as well as $66,295 thousand and $5,317 thousand, respectively, and the counterparties of the remaining amounts receivable cover multiple customers who are separated in different industries and geographical areas. The Company continuously evaluates the financial position of customers with amounts receivable customers.

3. Liquidity risk

The Company maintains sufficient cash and cash equivalents to meet the cash requirements for operating activities through accounts and financing management and reduce the impact of cash flow fluctuations. The Company's Finance Department monitors the use of bank financing limits at all times and ensures compliance with the terms of borrowing contracts.

Liquidity and interest rate risk table of non-derivative financial liabilities

The maturity analysis for the remaining contracts of non-derivative financial liabilities is based on the date on which the Company may be required to make repayments and is prepared according to the undiscounted cash flow of financial liabilities (including the principal and estimated interest). Therefore, the Company may be required to immediately repay the bank borrowings, which is within the earliest period in the table below, regardless of the probability that the bank may immediately exercise its right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

For the interest cash flow paid at floating interest rates, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

The maturity date of the non-interest-bearing financial liabilities accounted for in the Company's current liabilities is within one year, and the Company was not required to immediately settle such financial liabilities. The deposits received in the non-current financial liabilities are mainly deposited by customers as credit guarantees with no specific maturity date.

December 31, 2023

	Within 1 year	1-5 years
Non-derivative financial liabilities		
Lease liabilities	$ 10,251	$ 4,276

December 31, 2022

	Within 1 Year	1 to 5 Years
Non-derivative financial liabilities		
Lease liabilities	$ 10,815	$ 11,625
Variable interest rate instruments	30,546	195,866
	$ 41,361	$ 207,491

The amount of variable interest rate instruments of the abovementioned non-derivative financial liabilities will change due to the difference between the variable interest rate and the estimated interest rate on the balance sheet date.

(V) Offsetting financial assets and financial liabilities

Partial non-derivative financial assets and non-derivative financial liabilities of the Company and its subsidiaries are eligible for offsetting. Therefore, the net non-derivative financial assets after offsetting the total non-derivative financial assets by the total non-derivative financial assets were presented in the balance sheet.

The following table sets forth the quantitative information related to the financial assets and financial liabilities that are subject to the aforementioned master netting agreements or similar agreements:

December 31, 2023

Financial Liabilities	Gross Amount of Recognized Financial Assets	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets	Net Amount of Financia l Liabilities Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received	
Accounts payable	$ 31,005	$ 325,005	($ 294,000)	$ -	$ -	($ 294,000)

December 31, 2022

Financial Liabilities	Gross Amount of Recognized Financial Assets	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets	Net Amount of Financia l Liabilities Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Accounts payable	$ 194,491	$ 446,940	($ 252,449)	$ -	$ -	($ 252,449)

XXV. Related party transactions

The Company's parent company is Qisda Corporation, which held 28.82% of the Company's ordinary shares as of December 31, 2023 and 2022. In addition to those disclosed in other notes, the transactions between the Company and related parties are as follows.

(I) Related party and the relationship with it

Related Party	Relationship with the Company
Qisda Corporation	Parent company of the Company
AUO Corporation	An individual with significant influence on the parent company that is a corporate Director who values the parent company by using the equity method
Darwin Precisions Corporation	A subsidiary of AUO Corporation
AUO Display Plus Corporation	A subsidiary of AUO Corporation
Data Image (Suzhou) Corporation	Subsidiary
DIVA Laboratories, Ltd.	Subsidiary
DFI Inc.	Sister company
BenQ AB Dentcare Corporation	Sister company

(Continued)

Related Party	Relationship with the Company
BenQ Asia Pacific Corp.	Sister company
BenQ Healthcare Corporation	Sister company
BenQ Materials Corp.	Sister company
Qisda (Suzhou) Co., Ltd.	Sister company
Qisda Optronics (Suzhou) Co., Ltd.	Sister company
Global Intelligence Network Co., Ltd.	Sister company
Metaage Corporation (formerly known as Sysage Technology Co., Ltd.)	Sister company
Concord Medical Co., Ltd	Sister company
Metaguru Corporation	Sister company
Action Star Technology Co., Ltd.	Sister company
BenQ Foundation	Substantial related party
DMC Components International, LLC	Associate

(II) Operating revenue

Item	Related Party Category	2023	2022
Sales	Parent company	$ 108	$ 294
	Subsidiary	21,823	22,745
	Sister company		
	Qisda (Suzhou) Co., Ltd.	254	277,163
	Others	29,968	111,256
		30,222	388,419
	Associate	16,820	51,453
	A subsidiary of AUO Corporation	-	124
		$ 68,973	$ 463,035

The above sales price to Data Image (Suzhou) Corporation, Ltd. is the price before markups, and the payment collection is subject to its capital status. As most of the consolidated company's transactions with the abovementioned related parties are customized products with no comparable products, the prices are negotiated by both parties; sales to related parties and non-related parties are collected or O/A 30 to 60 days and collected after shipping O/A 30 to 90 days, respectively.

(III) Purchases

Related Party Category /Name	2023	2022
Subsidiary	$ 497	$ -
A subsidiary of AUO Corporation	86,542	95,820
	$ 87,039	$ 95,820

Purchases were made at the general purchase price. For purchases from related parties and non-related parties, payments are made 30 to 45 days after the receipt and O/A 30 to 120 days, respectively.

(IV) Manufacturing expenses - Commissioned processing fees

Related Party Category	2023	2022
Subsidiary		
Data Image (Suzhou) Corporation	$ 1,134,344	$ 1,670,597

The Commissioned processing fees for Data Image (Suzhou) Corporation are directly generated from the transactions with the company.

(V) Receivables from related parties

Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Accounts receivable	Subsidiary	$ 1,387	$ 2,131
	Sister company		
	Qisda (Suzhou) Co., Ltd.	-	73,958
	Others	3,356	22,089
		3,356	96,047
	Associate	2,534	9,558
		$ 7,277	$ 107,736

No guarantee is received for the amounts due from related parties. No loss allowance was provided for the amounts due from related parties in 2023 and 2022.

(VI) Payables to related parties

Item	Related Party Category	December 31, 2023	December 31, 2022
Accounts payable	A subsidiary of AUO Corporation	$ 21,742	$ 9,210
	Subsidiary		
	Data Image (Suzhou) Corporation	294,000	252,449
		$ 315,742	$ 261,659
Other payables	Parent company	$ 644	$ 1,502
	Subsidiary	499	126
	Sister company	20	5,341
	Associate	9,728	4,229
		$ 10,891	$ 11,198

In 2023 and 2022, the Company sold raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchased partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income and cost are expressed at a net amount. In addition, after offsetting the relevant accounts receivable and payable, collection and payment will be made based on its capital status, and the amounts payable to related parties as of December 31, 2023 and 2022 were the balance after offsetting accounts receivable and payable.

The balance of outstanding amounts due to related parties has not been provided for guarantee.

(VII) Prepayments (accounted for as other current assets)

Related Party Category/Name	December 31, 2023	December 31, 2022
AUO Display Plus Corporation	$ 3,075	$ -

(VIII) Acquisition of property, plant and equipment

	Purchase price	
Related Party Category	2023	2022
Sister company	$ -	$ 131

(IX) Lease agreement

Item	Related Party Category	December 31, 2023	December 31, 2022
Lease liabilities	Parent company	$ 2,373	$ 4,125

Item	Related Party Category	2023	2022
Interest expenses (accounted for as finance cost)	Parent company	$ 45	$ 68
Depreciation expenses (accounted for as operating cost)	Parent company	$ 1,651	$ 1,651

The Company rented the Taoyuan Office from the parent company in November 2021 and the Taoyuan Plant from the parent company in May 2020. The lease terms are 3.5 years and 5 years, respectively. The rental is based on the rental level of similar assets, and it pays a fixed lease payment on a monthly basis according to the lease contract.

(X) Other related party transactions

Related Party Category/Name	2023	2022
Operating cost		
Parent company	$ 15,003	$ 12,432
A subsidiary of AUO Corporation	-	22
Subsidiary	$ 49	$ 703
Sister company	239	418
Associate	-	1,537
	$ 15,291	$ 15,112

(Continued)

Related Party Category/Name	2023	2022
Operating expenses		
Parent company	$ 1,327	$ 1,854
AUO Corporation	1	-
A subsidiary of AUO Corporation	610	885
Subsidiary	1,581	121
Sister company	1,018	1,060
Associate	727	503
Substantial related party	1,000	1,500
	$ 6,264	$ 5,923
Operating expenses - Commission expense		
Associate	$ 29,879	$ 20,532

As the parent company provided partial management services to the Company, the management expenses recognized in 2023 and 2022 were $16,330 thousand and $14,286 thousand, respectively. Commission expenses are calculated based on the rates agreed upon in contracts and are paid only after the Company has received the relevant accounts receivable for sales of goods as an agent.

(11) Endorsements and guarantees

For information on the Company's endorsements/guarantees to related parties, please refer to Table 1.

(12) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 18,639	$ 22,304

The remuneration of Directors and other key management personnel is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXVI. Pledged assets

The following assets of the Company have been pledged as the collateral for the collection of business tax after the release of the imported goods by the customs:

	December 31, 2023	December 31, 2022
Refundable deposits (accounted for as other non-current assets)	$ 1,020	$ 1,008

XXVII. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2022, the Company had an unused letter of credit of $671 thousand (December 31, 2023: none).

XXVIII. Information on significant assets and liabilities denominated in foreign currencies

The information below is aggregated and expressed in foreign currencies other than the functional currency of the Company. The exchange rates disclosed refer to the exchange rates at which these foreign currencies are translated into functional currency. Significant assets and liabilities denominated in foreign currencies are as follows:

December 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 17,047	30.75	(USD: NTD)	$ 524,194
Non-monetary items				
Investment accounted for using the equity method				
USD	289	30.75	(USD: NTD)	8,874
Financial liabilities				
Monetary items				
USD	18,371	30.75	(USD: NTD)	564,903

December 31, 2022

	Foreign Currency	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 21,690	30.73	(USD: NTD)	$ 666,533
Non-monetary items				
Investment accounted for using the equity method				
USD	252	30.73	(USD: NTD)	7,757
Financial liabilities				
Monetary items				
USD	17,333	30.73	(USD: NTD)	532,636

The realized and unrealized foreign currency exchange gains and losses with a material impact are as follows:

	2023		2022	
Foreign Currency	Exchange Rate	Net Exchange (Loss) Gain	Exchange Rate	Net Exchange (Loss) Gain
USD	30.75 (USD/NTD)	$ 5,873	30.73 (USD/NTD)	$ 71,527

XXIX. Supplementary disclosures

(I) Significant transactions:

1. Loans to others: None.

2. Endorsements/guarantees provided: Table 1.

3. Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures): Table 2.

4. Marketable securities acquired and disposed at costs of prices at least NT$300 million or 20% of the paid-in capital: None.

5. Acquisition of individual property at costs of at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

9. Trading in derivative instruments: Note 7.

(II) Information on investees: Table 5.

(III) Information on investments in Mainland China:

1. Information on investees in Mainland China, including the name, scope of business, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriation of investment gain or loss, and limit on the amount of investment in the Mainland China area: Table 6.

2. The following significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 7.

   (1) The amount and percentage of purchases and the closing balance relevant amounts payable at the end of the period and percentage.

   (2) The amount and percentage of sales and the closing balance relevant amounts receivable at the end of the period and percentage.

(3) The amount of property transactions and the amount of gain or loss arising therefrom.

(4) The closing balance of endorsements/guarantees or collateral provided and their purposes.

(5) The highest balance, closing balance, interest rate range, and total interest for the current period of capital financing.

(6) Other transactions that have a significant impact on the current profit or loss or financial position (i.e., the provision or receipt of services).

(IV) Information on major shareholders: Not applicable.

Data Image Corporation

Endorsements/Guarantees Provided

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 1

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Data Image (Suzhou) Corporation	The company is a wholly-owned subsidiary of Data Image (MAURITIUS) Corporation	$ 296,702	$ 62,510	$ 30,750	$ 6,174	$ -	2.07%	$ 741,756	Yes	No	Yes

Note: The total amount of the Company's endorsements /guarantees is limited to 50% of the Company's net worth as stated in its latest financial statements. The endorsements/guarantees provided to a single enterprise are limited to 20% of its net worth, as stated in its latest financial statements.

Data Image Corporation

Marketable Securities Held

December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the year				Note
				Number of shares	Carrying amount	Percentage of Ownership	Fair value	
DIVA Laboratories, Ltd.	Stocks							
	Insight Genomics Inc.	—	Financial assets at fair value through other comprehensive income - Non-current	600,000	$ 2,778	6.40%	$ 2,778	
	Renown Information Technology Corp.	—	Financial assets at fair value through other comprehensive income - Non-current	240,000	1,833	4.80%	1,833	
	Pharmally International Holding Company Limited	—	Financial assets at fair value through profit or loss - Non-current	150,000	-	-	(Note)	

Note: Pharmally International Holding Company Limited was delisted on April 1, 2021. Due to the assessment that the fair value of the marketable securities may be extremely low and a reasonable valuation price was unable to be obtained, the entire amount was intended to be recognized as a valuation loss.

Data Image Corporation

Total Purchases from or Sales to Related Parties Amounting to at least NT$100 Million or 20% of the Paid-in Capital

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Table 3

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ sales	Amount	% of Total (Note)	Payment Terms	Unit price	Payment Terms	Ending Balance	% of Total	
The Company	Data Image (Suzhou) Corporation	Subsidiary	Processing fees	($ 1,134,344)	(55)	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	($ 294,000)	(76)	
Data Image (Suzhou) Corporation	The Company	Parent company	Processing income	1,134,344	29	To be determined subject to the capital status	Based on the agreed prices	To be determined subject to the capital status	294,000	54	

Note: The processing fees are calculated as a percentage of the total manufacturing expenses.

Data Image Corporation

Receivables from Related Parties Amounting to at least NT$100 million or 20% of the Paid-in Capital

December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 4

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Data Image (Suzhou) Corporation	The Company	Parent company	$ 294,000	4.17	$ -	—	$ 168,960	$ -

Data Image Corporation

Information on Investees

December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 5

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of shares	Ratio (%)	Carrying amount			
The Company	Data Image (MAURITIUS) Corporation	Mauritius	Investment	$ 518,381	$ 518,381	20,215,000	100.00	$ 472,173	$ 62,916	$ 62,916	-
	DIVA Laboratories, Ltd.	Taiwan	Medical equipment manufacturing and sales	625,680	625,680	20,856,000	35.55	622,870	73,617	19,657	Note 1
	DMC Components International, LLC	Orlando, USA	Sales agency	24,304	24,304	300,000	30.00	8,874	3,163	1,267	Note 2
DIVA Laboratories, Ltd.	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00	1,179	(220)	(220)	-
	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00	14,498	2,709	2,709	-
	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500,000	100.00	24,156	(1,510)	(1,510)	Note 3
	Diva Capital lnc.	Samoa	Reinvestment	52,908	52,908	-	100.00	9,635	1,253	1,253	Note 4
	Qubyx Limited	United Kingdom	Software design and sales	-	-	-	-	-	-	-	Note 6
	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00	(1,590)	(37,661)	(7,156)	Notes 5 and 7
Diva Capital lnc.	Diva Holding lnc.	Samoa	Reinvestment	52,598	52,598	-	100.00	9,630	1,253	Note 8	-
Qubyx Limited	QUBYX LTD	France	Software design and sales	-	38	-	-	-	-	-	Note 6
	QUBYX Software Technologies Inc	USA	Software design and sales	-	-	-	-	-	-	-	Note 6

Note 1: The difference between the profit and loss of the investee recognized based on the shareholding ratio in the current year and the investment gain or loss recognized in the current year is the effect of the fair value of the investee's assets being higher than the book value of the amortization.

Note 2: The carrying amount deducted the unrealized gain on downstream transactions of $1,657 thousand.

Note 3: The carrying amount deducted the unrealized gain on downstream transactions of $85 thousand.

Note 4: The carrying amount deducted the unrealized gain on downstream transactions of $13 thousand.

Note 5: The carrying amount deducted the unrealized gain on downstream transactions of $1,732 thousand.

Note 6: The Company has completed the liquidation of QUBYX Limited on November 2, 2023.

Note 7: The Company had accumulated $25,787 thousand of impairment loss on the investment in The Linden Group Corp. accounted for using the equity method.

Note 8: The profit or loss of the investee has been included in its investees. To avoid confusion, it is not expressed otherwise presented in these financial statements.

Data Image Corporation

Information on Investments in Mainland China

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Table 6

Investee Company	Main Businesses and Products	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of Period	IRemittance of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of Period	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 1)	Carrying Amount at the End of Period (Note 1)	Accumulated Repatriation of Investment Income at the End of Period
					Outward	Inward						
Data Image (Suzhou) Corporation	Manufacturing, processing, and sale of LCD touch modules and LCD modules	$ 534,081 (USD 16,300 thousand)	An investee in Mainland China through investment in the establishment of Data Image (MAURITIUS) Corporation in a third region	$ 511,884 (USD 15,654 thousand)	$ -	$ -	$ 511,884 (USD 15,654 thousand)	$ 63,199 (RMB 14,463 thousand)	100%	$ 63,199	$ 470,745	$ -
Suzhou Diva Lab. Inc.	Medical equipments wholesale, import and export business	52,643 (USD 1,725 thousand)	Diva Capital Inc., a 100% owned third region subsidiary, reinvested in a third region company Diva Holding lnc., and reinvested in a mainland China company	52,643 (USD 1,725 thousand)	-	-	52,643 (USD 1,725 thousand)	1,253 (RMB 280 thousand)	100%	1,253 (RMB 280 thousand)	9,602 (RMB 2,214 thousand)	-

Investor	Accumulated Outward Remittance for Investments in Mainland China at the end of the period	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
The Company	USD 15,654 thousand	USD 2,000 thousand	$890,107 (Note 2)
DIVA Laboratories, Ltd.	USD 1,725 thousand	USD 2,000 thousand	$619,681 (Note 3)

Note 1: It was recognized based on the financial statements audited by the parent company's CPAs in Taiwan for the same period.

Note 2: The calculation is based on the limit of 60% of the net worth, according to Tou-Shen-Zi No. 09704604680.

Note 3: The calculation is based on a limit of 60% of the consolidated net value of DIVA Laboratories, Ltd., according to Tou-Shen-Zi No. 09704604680.

Data Image Corporation

Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains or Losses

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars,)

Table 7

Investee Company	Transaction type	Purchases/sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transaction	Ending Balance	%		
Data Image (Suzhou) Corporation	Sales	$ 14,752	-%	Processed at a price before mark-up	To be determined subject to the capital status	To be determined subject to the capital status	$ -	-	$ -	(Note)
Data Image (Suzhou) Corporation	Purchases (commissioned processing)	1,134,344	55%	Made at the general purchase price	To be determined subject to the capital status	To be determined subject to the capital status	(294,000)	76	-	(Note)

Note: The Company sells raw materials and semi-finished products to Data Image (Suzhou) Corporation, and then it purchases partial finished products and semi-finished products from the company to sell to customers. As the processing is without imported materials, the related sales income and cost are expressed at a net amount. In addition, after offsetting the relevant accounts receivable and payable, collection and payment will be made based on its capital status and the balance after offsetting accounts receivable and payable on December 31, 2023.

Data Image Corporation