

## **Annual Report 2023**

Annual report inquiry website

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

Website: https://www.tpk.com

## Date of Printing: April 20, 2024

#### **Notice to readers**

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

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5. Name of overseas trading office of listed valuable securities and the way to inquire information of valuable overseas securities: NA

**6. Web Site:** https://www.tpk.com

April 20, 2024

Position	Name	Nationality	Main Education/Experience Background
Chairman	Michael Chao-Juei Chiang	Canada	Business Administration, Fu Jen Catholic University TVM Corporation - Chairman Taiwan Video & Monitor Corporation - President
Director	Li-Chien Hsieh	Taiwan	Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co President
Director	Tsung-Liang Tsai	Taiwan	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director
<b>D</b>	Capable Way Investments Limited	Samoa	Master of Business Administration, University of Michigan
Director	Representative: Hsi-Liang Liu	Taiwan	ASE Group -Vice President of Finance Citibank - Vice President of Unit Head
Director	Max Gain Management Limited	Samoa	Mechanical and Electrical Engineering, China University of Science and Technology Manufacturing department (China) of Tupo Optoelectronics Incorporated -Assistant Manager
	Representative: Heng-Yao Chang	Taiwan	Research departments of Chief Industrial IncAssistant Manager TPK Holding Co., Ltd Senior Vice President
Director	High Focus Holdings Limited	Samoa	Mechanical Engineering , National Chin-Yi Universion Technology
	Representative: Shih-Ming Liu	Taiwan	Quality assurance at TVM (PRC) Corporation- Assistant Vice President Amkor Co. Ltd Assistant Vice President
Independent Director	Ming-Jeng Weng	Taiwan	MBA, University of Southern California Citi Bank- Vice President Salomon Smith Barney Inc. Taipei Branch, Citi Group- General Manager Lehman Brothers Securities Taiwan Ltd Chairman Nomura International (Hong Kong) Limited, Taipei Branch -Managing Director
Independent Director	Yen-Wei Cheng	Taiwan	National Taipei Institute of Technology High Ten Corp Manager Hitron Technologies Inc Chairman & CEO Interactive Digital Technologies Inc Chairman & CEO
Independent Director	Hsiu-Chun Wang	Taiwan	PhD in Engineering-Economic Systems and Operations Research, Stanford University ABN AMRO Bank - Global Head of Semiconductor Research WK Technology Fund - Managing Director Grand River Capital Management Company - Consultant

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#### I. Letter to Shareholders

In 2023, the global economy slowed down, and the aggressive interest rate hikes by the Federal Reserve impacted the market, causing companies to become more conservative in their investments. Additionally, the Russia-Ukraine war and conflicts in the Middle East led to fluctuations in energy prices, resulting in weakened demand from end consumers. Furthermore, the demand for IT products was frontloaded during the initial stage of the pandemic due to work-from-home and remote learning needs. As a result, when the pandemic economy subsided, demand declined significantly, and it took longer time to clean the inventories of brand channel, and hence, the company's revenue decreased compared to the previous year. Facing these irreversible challenges, the company actively developed new products and invested in new businesses. In 2023, in addition to collaborating with TES touch embedded solutions Inc. to develop in-car entertainment system assemblies, and establishing a joint venture with HD Renewable Energy Co., Ltd. to enter the battery energy storage sector, the company also partnered with a leading American automotive LiDAR company for product development and assembly operations, and successfully mass-produced gesture-sensing gloves. The company continued to strengthen lean operations, improve production efficiency, and optimize costs, striving to maintain profitability despite the decline in revenue.

Looking forward to 2024, the world continues to face multiple challenges such as regional conflicts, geopolitical tensions, and weakened consumer demand. However, amidst these challenges, there are also numerous new opportunities emerging. The rise of AI is expected to drive the demand for upgraded mobile devices, including smartphones and tablets. Geopolitical shifts in the supply chain are leading to diversification and restructuring, creating new capacities and industrial demand. Additionally, the global trend towards combating climate change is fostering the demand for energy transition and carbon reduction products such as energy storage. In this complex and ever-changing environment, our company will maintain flexibility and adaptability, adjusting our supply chain layout and management in response to market changes.

#### **Review of 2023 Company Strategy**

Although the COVID-19 pandemic officially receded in 2023, the global economy continued to face challenges due to inflation and tight monetary policies, leading to persistently weak end demand and a slow recovery post-pandemic. Despite the various challenges confronting the major economies worldwide, the company remains proactive, focusing on new project development and customer expansion. The outlined strategic objectives already executed are as follows:

#### 1. Innovation with solid foundation and accumulation of extensive experiences

In our core business, the company continues to leverage its strong research and development capabilities and manufacturing strength, serving as a key partner for customers in new product production and as a critical supplier. In 2023, in addition to assisting existing customers in launching new products according to plan and maintaining stable production and quality of mass-produced products, the company also successfully launched a car display system assembly product with its partners. Despite the challenging external environment, the company has maintained a steady product

supply, while also committed to enhancing product quality and service value for customers, expanding its business, and solidifying long-term cooperative relationships with customers.

#### 2. Strengthening competitive expansion and gearing up for upcoming challenges

As the development of touch product technology matures, the company has actively diversified its business in recent years, extending its core competitive advantage in engineering and manufacturing to new ventures. In addition to the stable growth of its 3D printing business, the company has successfully ventured into the field of new energy in response to the anti-global warming trend towards zero carbon emissions, with a joint venture with HD Renewable Energy already underway and shipments commenced. Furthermore, leveraging its excellent mass production manufacturing capabilities and competitive advantages in supply chain management, the company has collaborated with leading LiDAR manufacturers to jointly develop products and assist in launching more competitive products in the market.

#### 3. Conservative and steady operation

In 2023, the decrease in revenue was accompanied by a reduction in operational scale, resulting in an approximate annual operating expense ratio of 4.6%. Additionally, the results of continuous adjustments to production line automation in recent years have become apparent, providing greater flexibility in workforce scheduling. The number of employees decreased from around 14,800 at the end of 2022 to less than 13,000 by the end of 2023. Due to higher overall economic and financial risks, the company has adopted a more conservative and rigorous approach in accounts receivable and payable, inventory management, cost control, and financial operations.

#### **Financial Results**

TPK reported sales of NT\$69.9 billion in 2023, down 28.1% year-on-year, and net profit for the parent company totaled NT\$208 million with a diluted earnings per share of NT\$0.51 decreased from 2022...

### **Research & Development**

As a leader among touch solution providers, the company is committed to collaborating with customers to develop new designs, materials, and products, continuously enriching its existing product lines. At the same time, we will continue to expand the diversity of product applications and leverage our extensive experience in mass production and supply chain management. In terms of patent licensing, as of the end of 2023, the group has been granted a total of 3,251 patents, including 1,992 invention patents and 1,259 utility model patents. In 2024, we will continue to assert the company's patent rights actively, pursuing ongoing research and development and applications to ensure our technological leadership in the touch industry and to strategically position ourselves in new business ventures.

### **Summary of Business Plans for 2024**

Looking ahead to 2024, global geopolitical and inflationary challenges persist, exacerbated by climate

change. However, opportunities arise with AI driving end-user demand, supply chain adjustments leading to expanded production capacity, and new markets emerging from energy transition. The company will adjust its strategies timely, aligning with supply chain arrangements, actively developing new products, acquiring new clients, and expanding new businesses to enhance profitability. An overview of the company's business plan for 2024 is outlined below.

#### 1. Create Added Value, Streamline Core Business

As one of the leading touch panel manufacturers, the company will continue investing in R&D to provide thin and more sensitive projected capacitive touch solutions widely used in various display technologies and applications across different product sizes. Furthermore, the company continues lean production, innovative processes, supply chain optimization, and system management enhancements to improve manufacturing efficiency and ensure long-term customer trust and support. This year marks a critical juncture for new touch product development, where the company will work hand-in-hand with existing customers for mutual growth, maintain stable mass production, and actively participate in next-generation product development to create added value through innovative designs and material applications.

#### 2. Steady Expansion, Cultivate New Businesses

For touch panel related products, in addition to continuing to drive growth in our core business, the company will also leverage the core competencies accumulated by our team over many years to expand into developing new businesses. We are deeply involved in areas such as mass production process introduction, automated production line development and design, laboratory testing, and quality management for brand customers' design and development processes. This allows us to assist them in achieving high-quality, rapid mass production of new products, becoming the ideal partner for customers to realize mass production. The company will steadily expand the scale of our new businesses, fully utilizing our core competitive advantages to cultivate high-potential new products and expand into new business areas.

#### 3. Remain Stable Financials, Optimize Assets

Despite global inflation may ease and monetary tightening policies show signs of moderation, market conditions remain fraught with risks and uncertainties amid subdued consumer demand recovery and geopolitical turmoil. In response to this situation, the company will continue to maintain a robust financial structure to weather market volatility, while carefully evaluating manpower allocation and equipment investment needs. Furthermore, the company is committed to driving asset optimization benefits, actively pursuing cash management and foreign exchange hedging. On the premise of stable funding, we will proactively increase non-operating income.

#### **Embrace the future**

In the coming year, TPK's entire team will carry forward the cross-disciplinary spirit of improvement from the past few years, continuing to transform and innovate, providing more comprehensive professional manufacturing services to customers. TPK's experience will continue to

take root internally while expanding outward, venturing into more promising new businesses. At the same time, we will join hands with customers to launch more innovative products, giving our utmost effort to make 2024 a crowning year for TPK.

Meanwhile, the company upholds corporate social responsibility by strengthening environmental protection and social care, implementing corporate governance (ESG). Adhering to laws and regulations, we promote energy conservation and carbon reduction through green power and energy-efficient production, implementing carbon footprint audits and carbon neutrality plans to continuously drive sustainable development. TPK's management team thanks shareholders, customers, and all employees for their long-term support. The company encourages employees to maintain enthusiasm for learning new domains and jointly strive for business transformation. Let us continue to create maximum benefit for shareholders as we boldly pioneer new industries with a "weighty responsibility" and travel the "long road" of environmental sustainability.

Michael Chao-Juei Chiang, Chairman

Li-Chien Hsieh, Chief Executive Officer

### **II. Company Profile**

#### 1. Date of Incorporation:

November 21, 2005

#### 2. Company and Group Overview:

#### (1) Company Overview

TPK Holding Co., Ltd. (Hereinafter referred to as "this company") was established in the Cayman Islands on November 21, 2005 with 28 subsidiaries which are responsible for the development, manufacturing, and sale of touch applications and other products.

TPK Touch Solutions Inc., as a base for TPK group, strives to develop touch technology. The company has become the smartphone touch sensor development partner of international companies after the successful ITO glass touch solution invented. Since then, the company settled the technology development directions and business strategy, which pursues capacitive touch related technology and manufacturing process. To fulfill capacity requests from the customers, and consider the amount of labors for manufacturing production, the company set up factories in Xiamen in 2005.

Touch is the most intuitive and human-friendly way of communication. Among the various touch technologies currently available, projected capacitive technology stands out with its superior touch sensitivity, durability, and multi-touch capabilities, providing consumers with the best user experience. Our company's products include projected capacitive technology-related components, modules, and precision optoelectronic product assembly services for customers. We hold a globally leading position in terms of technological sophistication, efficiency, and yield rates, with a customer base comprising world-class electronics manufacturers. As a professional leader in touch technology applications, the company leverages its vertically integrated manufacturing capabilities to provide customers with comprehensive touch technology application solutions, from research and development to product design and mass production. This assists customers in significantly reducing the lead time for product development and optimizing production processes, playing a crucial role in driving the generational evolution of consumer electronics products.

As the touch market enters a mature growth phase, the company is also actively expanding into other emerging technologies and markets. Leveraging its extensive experience in mass production manufacturing, we are diversifying into more varied market sectors, such as commercialized mass production technology for 3D printing, niche electric vehicle production and manufacturing, as well as manufacturing related to energy storage. We look forward to forging new blue ocean opportunities that will drive the company's revenue growth in the not-too-distant future.

- (2) Group Structure: Please refer to the Subsidiaries Chart specified in Chapter VIII Special Events of the Annual Report.
- (3) Risk Matters: Please refer to the 6. Risk items specified in Chapter VII of the Annual Report.

## 3. Company History:

Date	Milestone
May 2003	TPK Touch Solutions Inc. established
August 2004	TPK Touch Solutions (Xiamen) Inc. established
November 2005	This company was established and registered in British Cayman Islands
December 2005	Subsidiary Optera Technology (Xiamen) Co., Ltd. established
May 2006	Subsidiary TPK Lens Solutions Inc. established
June 2006	Subsidiary TPK Touch Systems (Xiamen) Inc. established
June 2007	Mass production
December 2007	Passed ISO TL9000/ISO9001:2000 International Quality Certificate
April 2008	Passed ISO 14001:2004 International Quality Certificate
May 2009	Passed ISO IEC17025:2005 International Quality Certificate
June 2009	Import Six Sigma
July 2009	TPK Touch Solutions (Xiamen) Inc. got the certification of China high-tech companies
	Optera Technology (Xiamen) Co., Ltd. got the certification of China high- tech companies
December 2009	Passed SA8000:2008 International Quality Certificate
January 2010	Board of directors and board of shareholders passed the application to return
	to Taiwan for the first listing
March 2010	Elected independent director and set Audit Committee
March 2010	TPK Lens Solutions Inc. got the certification of China high-tech companies This company got 50% stock rights of Optera TPK Holding Pte. Ltd. from Magna International (Hong Kong) Limited, and some assets as well as professional team from Optera Inc.
April 2010	Subsidiary Ray-Star Technology (Xiamen) Inc. established
	Subsidiary Ray-Star Optical Solutions (Xiamen) Inc. established
	Subsidiary TPK America, LLC established  TPK Touch Solutions (Vierney) Inc. 324 the title of SA 2000 (Society)
	TPK Touch Solutions (Xiamen) Inc. got the title of SA 8000 (Social Accountability 8000) issued by SAI certificate company
July 2010	Handle IPO
October 2010	Stock listing
November 2010	Passed TL9000-H R5.0/R4.0/ISO9001:2008 certificate
December 2010	Subsidiary TPK Asia Pacific Sdn. Bhd. established
	Subsidiary Ray-Star Universal Solutions Limited established
	Subsidiary TPK Universal Solutions Limited established
	Chairman Michael Chao-Juei Chiang was awarded Manager Today-2010 MVP Manager
	President Ta-Min Sun got the title of "Excellent Administrator who cares for employees" issued by work committee of labor union of Xiamen development zone

Date	Milestone
January 2011	TPK Touch Solutions (Xiamen) Inc. was awarded as 2010 Xiamen excellent
	high-tech enterprise
February 2011	Subsidiary TPK Glass Solutions (Xiamen) Inc. established
	Subsidiary TPK Universal Solutions Limited, Taiwan Branch established
	TPK Touch Solutions (Xiamen) Inc. was awarded 2010 Xiamen top ten excellent enterprise
	Optera Technology (Xiamen) Co., Ltd. was awarded Xiamen major enterprise
April 2011	TPK Touch Solutions Inc. office relocated in Neihu
	Issued the 2011 first overseas unsecured convertible corporate bond
	Passed ISO14001:2004 certificate
	Passed ISO9001:2008 certificate
	Got subsidiary MasTouch Optoelectronics Technologies Co., Ltd.
	Got subsidiary Ray-Star System Solutions (Xiamen) Inc.
	Got subsidiary Ray-Star System Solutions Limited
May 2011	Passed the safety certification of German Rheinland Electrical
	Passed water balance test
July 2011	TPK Universal Solutions Limited purchased 19.9% stock rights of CANDO CORPORATION
	Got subsidiary CIM Corporation
	Got subsidiary Hallys Corporation
August 2011	Passed ISO9001 certificate
September 2011	TPK was awarded investment relation prize for IPO in Taiwan
	CEO Ta-Min Sun was awarded investment relation prize for CEO in Taiwan
	Chief financial officer Hsi-Liang Liu was awarded investment relation prize
	for chief financial prize in Taiwan
October 2011	TPK Touch Solutions Inc. was awarded best known enterprise by CommonWealth Magazine in Taiwan
November 2011	Set Compensation Committee
	TPK Touch Solutions Inc. was awarded 2011 top 20 innovative enterprises in Taiwan by MOEAIDB
December 2011	Won 77th of 500 Asia-Pacific High-Tech, High-Growth Fast Enterprises in 2012.
	TPK Touch Solutions (Xiamen) Inc. won the Xiamen Science and Technology Progress Award issued by Xiamen Science and Technology Bureau for its thin Layer Projected Capacitive Touch Screen Technology
February 2012	Passed ISO14001-2004 certificate
March 2012 April 2012	Chief financial officer Hsi-Liang Liu was awarded the best chief financial officer
	Got subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd.
	Got subsidiary TPK Specialty Materials Limited
May 2012	Subsidiary Hallys Hong Kong Limited established

Date	Milestone
June 2012	TPK Touch Systems (Xiamen) Inc. was awarded 2012 Xiamen "Water
	Saving" enterprise
	Subsidiary TPK Film Solutions Limited established
	TPK Touch Solutions (Xiamen) Inc. was awarded 2012 most innovative
	enterprise of China by Chinese Association of Productivity Science
	CEO Ta-Min Sun was awarded 2012 excellent innovative entrepreneur by
	Chinese Association of Productivity Science
July 2012	Subsidiary TPK Film Solutions (Xiamen) Inc. established
October 2012	Issuance of 2012 overseas unsecured convertible corporate bonds and
	overseas depository receipts
November 2012	Subsidiary Hallys (Xiamen) Inc. Established
February 2013	TPK Holding Co., Ltd. won the company management prize issued by The
	Asset Magarizonaine
	TPK Holding Co., Ltd. was awarded Taiwan Best Deal for its overseas
	unsecured convertible corporate bonds and overseas depository receipts by
	The Asset Magarizonaine
	Got subsidiary TPK MasTouch Solutions (Xiamen) Inc.
1 2012	Subsidiary TPK Touch Solutions (Pingtan) Inc. established
March 2013	Passed OHSAS18001:2007 certificate
April 2013	Passed IOS14001:2004 certificate
	President Ta-Min Sun was awarded the China top 10 credit entrepreneur by
	Credit Rating and Certification Center of China Academy of Commerce, the
	Credit Evaluation Research Center of China Academy of Management
	Science, the Credit Work Committee of China Market Association and the
	China Credit Construction Promotion Association.
May 2013	Subsidiary TPK Cando Solutions Inc. established  MagTayah Onto alcotronica Taylanda siga Ca. Ltd. was howeld by TPK Tayah
Way 2013	MasTouch Optoelectronics Technologies Co., Ltd. was bought by TPK Touch Solutions Inc.
July 2013	
July 2013	TPK Holding Co., Ltd. was awarded the third best company in Taiwan by The Asset Magarizonaine
	TPK Holding Co., Ltd. won the second prize of best investor relation in Asia
	issued by The Asset Magarizonaine
	President Ta-Min Sun was awarded the third best President in Asia by The
	Asset Magarizonaine
	Chief financial office Hsi-Liang Liu was awarded the first best chief financial
	officer in Asia by The Asset Magarizonaine
	Chief financial officer Hsi-Liang Liu won the second prize of most
	professional investor relation in Asia issued by The Asset Magarizonaine
	TPK Touch Solutions (Xiamen) Inc. and TPK Touch Systems (Xiamen) Inc.
	were both awarded the Xiamen Energy Conservation Demonstration Project
	by Xiamen Municipal Energy Conservation Office and Xiamen Economic
	Development Bureau.
August 2013	Subsidiary TPK Material Solutions Inc. established

Date	Milestone
October 2013	TPK Holding Co., Ltd. was awarded 2013 best known photoelectricity
	enterprise in Taiwan by CommonWealth Magazine
November 2013	TPK Holding Co., Ltd. signed joint agreement with Nissha Printing Co., Ltd. and Cambrios Technologies Corp. to develop Silver Nanowire together Subsidiary Jin Shun Xin Development (Pingtan) Co., Ltd. established TPK Holding Co., Ltd. won the gold metal of management by The Asset Magarizonaine TPK Glass Solutions (Xiamen) Inc. was awarded the safe production standard
	three qualification enterprise by Xiamen Safety Production Management Association
December 2013	Optera Technology (Xiamen) Co., Ltd., Ray-Star Optical Solutions (Xiamen) Inc. and TPK Touch Systems (Xiamen) Inc. were awarded the safe production standard three qualification enterprises by Xiamen Safety Production Management Association
February 2014	Subsidiary TPK Touch Solutions (Xiamen) Inc. won China Patent Excellence Award for its "Capacitive Touch Circuit Graphics and Its Manufacturing Method" (200910129503.8) issued by the National Intellectual Property Office
May 2014	President Ta-Min Sun won the prize of most influential people in touch screen industry issued by China Communications Industry Association and Nikkei BP
	TPK Holding Co., Ltd. won the prize of most influential international brands in the touch screen industry issued by China Communications Industry Association and Nikkei BP
	TPK Touch Solutions Inc. was awarded 1000 enterprises across the Taiwan Straits by CommonWealth Magazine
	Subsidiary Ray-Star Optical Solutions (Xiamen) Inc. was awarded water saving enterprise by Xiamen Construction and Administration Bureau
July 2014	Subsidiary TPK Advanced Solutions Inc. established
November 2014	Subsidiary TPK Chenqi (Mainland) Solutions Inc. established Previous President Ta-Min Sun became Vice Chairman, Yi-Hua Chung was employed as President  TPK Halding Co. Ltd. was "Post Ovelity Asserd" principal issued by 7TE
January 2015	TPK Holding Co., Ltd. won "Best Quality Award" prize issued by ZTE TPK Holding Co., Ltd. won the 2015 Best Quality Planning Prize issued by ZTE Corporation's Terminal Business Unit
March 2015	TPK Holding Co., Ltd. won the best investor relation prize issued by FinanceAsia
April 2015	Issue of 2015 overseas unsecured convertible corporate bonds and overseas depository receipts

Date	Milestone
December 2015	XiaMen Jan Jia Optoelectronics Co., Ltd. purchase the 100% stock right of Jin Tong suzhou Optoelectronics Co., Ltd.
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was recognized as cross-strait
	youth entrepreneurship base by Taiwan Work Office of the Central
	Committee of the Communist Party of China and the Taiwan Affairs Office of the State Council
February 2016	Subsidiary TPK Material Solutions Inc. was awarded the excellent enterprise
	of tax payment of over NTD 10 million in 2015 by the management committee of Fujian Jinjiang Economic Development Zone
August 2016	Subsidiary TPK Touch Solutions (Pingtan) Inc. was awarded "Thirty
	Demonstration Enterprises" in the Fujian Province Free Trade Experimental
	Zone from 2015 to 2016 by the Office of the Leading Group of the China (Fujian) Free Trade Experimental Zone
November 2016	Subsidiary TPK Glass Solutions (Xiamen) Inc. won the third prize of Fire
	Torque Competition of Xiamen Torch High-tech Zone issued by the Management Committee of Xiamen Torch High-tech Zone
January 2017	TPK Holding Co., Ltd. was awarded 2016 Best Supplier by PEGATRON
March 2017	Subsidiary TPK Touch Solutions (Pingtan) Inc. disposed 91% equity of
	Jinshunxin Development (Pingtan) Co., Ltd. to Rayxin (Pingtan) Investment Co., Ltd.
April 2017	Audit supervisor PEI-CHI WANG was awarded the 26th Excellent Internal Auditor by the Internal Auditing Association of the Republic of China
June 2017	Subsidiary TPK Advanced Solutions Inc. won the second prize of "Torch Cup "Safety Production Knowledge Competition and the honorary certificate of organization issued by the Xiamen Torch High-tech Zone Management
	Committee and the Xiamen Development Zone Trade Union.
	TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK
	Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc. and XiaMen Jan Jia Optoelectronics Co., Ltd.
	were awarded 2017 Xiamen Key Industrial Enterprise by Xiamen Economic
	informatization and Council
September 2017	Selected Hwai-Hai Chiang as President Issue 2017 overseas depository receipts
January 2018	Subsidiary Jan Jia Trading Company Limited established
March 2018	Subsidiary TPK Touch Solutions (Xiamen) Inc. got the honorary title of the
	2017 Advanced Purchasing Manager Survey issued by the Xiamen Investigation Team of the National Bureau of Statistics.
May 2018	Subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd. disposed the stock right
	of Jin Tong suzhou Optoelectronics Co., Ltd. for re-investment to Xiamen Jia Chong dream equity investment Partnership (limited partnership)

Date	Milestone
June 2018	Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions
	Inc. was awarded the 2017 annual taxpayer enterprise by the Management
	Committee of Xiamen Torch Hi-Tech Industrial Development Zone
	Subsidiary TPK Glass Solutions (Xiamen) Inc. was awarded the 2017 Key
	Taxpaying Enterprise by the Management Committee of Xiamen Torch Hi-
	Tech Industrial Development Zone
	Subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd. won the 2017 Taxation
	Star Enterprise prize issued by the Management Committee of Xiamen Torch
	Hi-Tech Industrial Development Zone
July 2018	TPK-KY (3673) is included in the 2017 Taiwan Stock Exchange "Taiwan
	Corporate Governance 100 Index" by its grade of top 20% corporate
	governance evaluation results.  TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK
	Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions (Xiamen) Inc., TPK
	Touch Systems (Xiamen) Inc. and XiaMen Jan Jia Optoelectronics Co., Ltd.
	were awarded 2018 Xiamen Key Industrial Enterprise by Xiamen Economic
	informatization and Council
August 2018	Passed ISO9001:2015 certificate
C	Passed IATF16949:2016 certificate
October 2018	Subsidiary TPK Material Solutions (Xiamen) Inc. established
November 2018	Subsidiary TPK Cando Solutions Inc. closed the liquidation
December 2018	Li-Chien Hsieh was elected as President
	Subsidiary TPK Touch Solutions (Xiamen) Inc. got second prize of patent for
	its "pressure detecting device" issued by Xiamen Government
	TPK has been independent assessed according to the FTSE4GOOD criteria,
	and has satisfied the requirements to become a constituent of the
	FTSE4GOOD TIP Taiwan ESG Index. Demonstrating strong Environmental,
1 2010	Social and Governance (ESG) practices.
January 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the top ten benchmark projects of corporate financial management in 2018 issued by China
	Merchants Bank
February 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. and TPK Advanced Solutions
1 coldary 2019	Inc. won the assessment certificate of Integration of Informationization and
	Industrialization Management System Certificate issued by the Ministry of
	Industry and Information Technology (MIIT).
March 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Workers' Home
	(Four Star) awarded by Xiamen City Federation of Trade Unions.
May 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the sample enterprise of
	China's foreign trade export index issued by the General Administration of
	Customs of the People's Republic of China.
June 2019	Chairman Michael Chao-Juei Chiang was awarded the Excellent builders of
	non-public economy in Fujian Province by the People's Government of Fujian
	Province.

Date	Milestone
July 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. became the Top 500 China
	patent company, ranking 63 <sup>rd</sup> .
August 2019	Subsidiary TPK MasTouch Solutions (Xiamen) Inc. won the Laboratory
	Accreditation Certificate issued by China National Accreditation Service for
	Conformity Assessment (CNAS).
October 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Best Customer
	Focus-Europe from the 2019 Visteon Strategic Supplier Conference.
November 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the 2019 Touch Display
	Industry Leading Enterprise Award from Shenzhen International Touch and
	Display Exhibition; Won the Xiamen Key Laboratory of Touch issued by Xiamen Science and Technology Bureau.
December 2019	Subsidiary Amplifi Technologies Inc. established.
December 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded the 2019
	Intellectual Property Demonstration Enterprise by the National Intellectual
	Property Administration, PRC.
	Subsidiary TPK Advanced Solutions Inc. won the OUTSTANDING
	SUPPLIER in 2019 (2019 Best Quality Supplier Award) from Compal Smart
	Device (ChongQing) Co., LTD; won the 2019 Best Service Award from CD-
	FATP PSD IDSBG (Chengdu Foxconn)
January 2020	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Workers' Home
	(Five Star) awarded by Xiamen City Federation of Trade Unions
March 2020	Subsidiary Amplifi Technologies Inc. Taiwan Branch established
April 2020	Subsidiary Amplifi Tech Hong Kong Co., Limited established
	Subsidiary TPK Chenqi (Mainland) Solutions Inc. was renamed as Trend
	Trading (Xiamen) Inc.
May 2020	Subsidiary TPK Universal Solutions Limited Janpan Branch established
June 2020	TPK Holding Co., Ltd. was awarded "Best Liquidity and Investments
	Solution in Information Technology industry" of The Asset Triple A
	Treasury, Trade, SSC and Risk Management Awards 2020 by The Asset.
	Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions
	Inc., TPK Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions(Xiamen)
	Inc., and TPK Touch Systems (Xiamen) Inc. were awarded "Provincial
	Leading Enterprises of Industry and Informatization in Fujian Province".
November 2020	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen)
	Inc. were respectively awarded Top 100 Enterprises in Fujian in 2020, ranked
	51st and 76th, and Top 100 Manufacturing Enterprises in Fujian in 2020,
	ranking 25 <sup>th</sup> and 40 <sup>th</sup> by Fujian Enterprises and Entrepreneurs Confederation,
	Fujian Media Group, and Fujian Academy of Social Sciences.

Date	Milestone
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 2020 Touch
	Panel Industry Leading Enterprise Annual Award by C-TOUCH & DISPLAY
	in Shenzhen.
	Subsidiary TPK Touch Systems (Xiamen) Inc. was awarded Excellent
	Partnership Award by Microsoft
December 2020	Subsidiary Amplifi Tech (Xiamen) Limited established
	TPK Group won Technology Innovation Award by Visionox
	Subsidiary TPK Advanced Solutions Inc. was awarded Best Strategic Partner
	by FOXCONN
January 2021	Subsidiary TPK Advanced Solutions Inc. was awarded" Quality Excellence
	Award in 2020" by CVTE
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded the AEO
	Advanced Certification Enterprise Certificate issued by Xiamen Customs
April 2021	Subsidiary TPK Touch Systems (Xiamen) Inc. was awarded the Laboratory
	Accreditation Certificate issued by China National Accreditation Service for
	Conformity Assessment (CNAS).
	Subsidiary Trend Trading (Xiamen) Inc. was renamed as Trend Technology
	(Xiamen) Inc.
August 2021	Subsidiary TPK Auto Tech Co., Limited established
September 2021	Subsidiary TPK Auto Tech (Xiamen) Limited established
October 2021	Subsidiary Amplifi Channels Hong Kong Co., Limited established
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 2021 Touch
	Panel Industry Leading Enterprise Annual Award by C-TOUCH&DISPLAY
	in Shenzhen.
November 2021	Subsidiary TPK Core Asset (Xiamen) Inc. established
	Subsidiary TPK Multi-Asset (Xiamen) Inc. established
	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen)
	Inc. were awarded Top 100 Enterprises in Fujian in 2021, ranking 63 <sup>rd</sup> & 97 <sup>th</sup> .
	Top 100 Manufacturing Enterprises in Fujian in 2021, ranking 29 <sup>th</sup> & 52 <sup>nd</sup> .
	TPK Touch Solutions (Xiamen) Inc. was awarded Top 100 Strategic
	Emerging Industry Enterprises in Fujian in 2021, ranking 6 <sup>th</sup> by Fujian
	Enterprises and Entrepreneurs Confederation, Fujian Media Group and Fujian
	Academy of Social Sciences.
December 2021	Subsidiary TPK Advanced Solutions Inc. was awarded 2021 Best Team
	Award by FOXCONN.
January 2022	Subsidiary TPK Advanced Solutions Inc. was awarded Best Partner in 2021
	by BYD.

Date	Milestone
February 2022	Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions
	Inc., TPK Touch Systems (Xiamen) Inc. were awarded Advanced
	Manufacturing Leading Enterprise in Xiamen by Xiamen Department of
	Industry and Information Technology.
March 2022	TPK Glass Solutions (Xiamen) Inc. Jimei Branch established
	Subsidiary TPK Auto Tech (Xiamen) Limited was Certified by IATF16949.
May 2022	Subsidiary TPK Touch Solutions Inc. acquires 50.22% shares of DS Energy
	Technology Co., Ltd.
June 2022	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen)
	Inc.were awarded Sample enterprises of China Export Leading Indicator by
	General Administration of Customs. Of the PRC.
July 2022	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 23rd Chinese
	Patent Excellence Award by National Intellectual Property Administration,
	PRC.
December 2022	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen)
	Inc. were awarded Top 100 Enterprises in Fujian in 2022, Top 100
	Manufacturing Enterprises in Fujian in 2022, Top 100 Strategic Emerging
	Industry Enterprises in Fujian in 2022 ,by Fujian Enterprises and
	Entrepreneurs Confederation, Fujian Media Group and Fujian Academy of
	Social Sciences.
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was certified by GB/T 29490-
M 1 2022	2013 (Enterprise intellectual property management).
March 2023	Subsidiary TPK Advanced Solutions Inc. was awarded 2023 Best Strategy
June 2022	Partner by FOXCONN.  Subsidiary TDV Presision Hong Kong Co. Limited established
June 2023	Subsidiary TPK Precision Hong Kong Co., Limited established
July 2023 August 2023	Subsidiary Stellar Energy Technology Inc. established Subsidiary TPK Core Asset (Xiamen) Inc. was renamed as TPK Trading
August 2023	(Xiamen) Inc.
September 2023	Subsidiary TPK Auto Tech (Thailand) Company Limited established
September 2023	Subsidiary TPK Glass Solutions (Xiamen) Inc. jointly established a subsidiary
	Good-Pro Electronic Technology (Xiamen) Inc. with FlexTouch
	Technologies Co., holding 55% of shares.
November 2023	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded Quality
1,0,0,0,0,0	management benchmark issued by SGS.
December 2023	Subsidiary Chenergy Electronic Materials (Zhejiang) Inc. established
	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen)
	Inc. were awarded Top 100 Manufacturing Enterprises in Fujian in 2023, Top
	100 Strategic Emerging Industry Enterprises in Fujian in 2023, by Fujian

**Date** Milestone

Enterprises and Entrepreneurs Confederation, Fujian Media Group and Fujian Academy of Social Sciences.

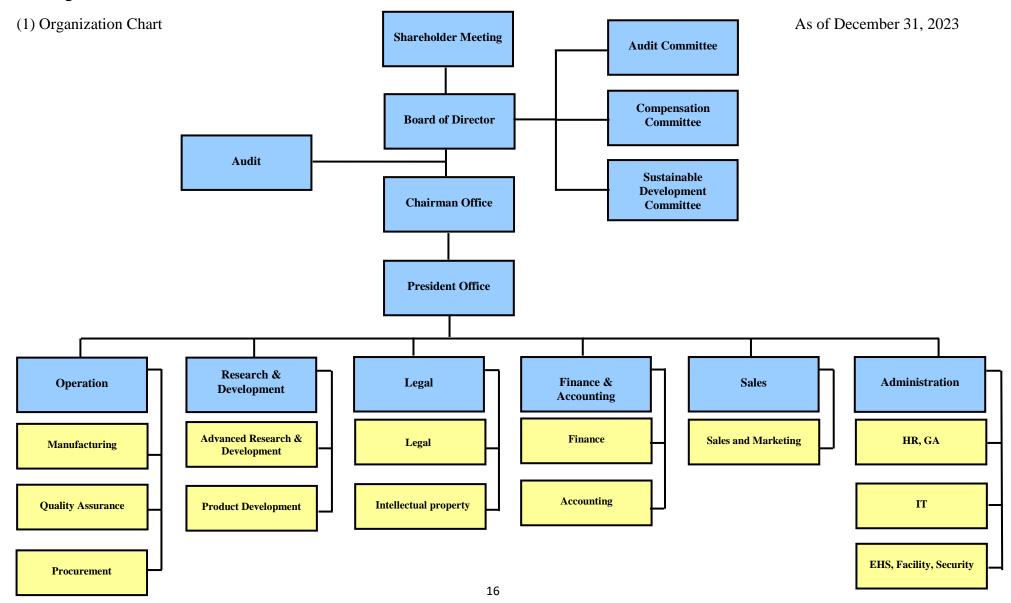
Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded National level green factory by Ministry of Industry and Information Technology of the People's Republic of China.

Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded Intellectual property demonstration enterprises by the National Intellectual Property Administration, PRC.

Subsidiary Xiamen Jan Jia Optoelectronics Co. Ltd. was awarded as Xiamen excellent high-tech enterprise by Xiamen science and technology bureau.

## **III.**Corporate Governance Report

### 1. Organization



## (2) Key duties and functions of major divisions:

Department	Duties and functions
Chairman Office	Plan quality policies and objectives for business operation and appoint a main manager to promote business execution.
President Office	Execute the decisions made by the board of directors and be responsible for all company affairs.
Audit Committee	Assist with supervising the board of directors and strengthen management mechanisms according to the responsibility entrusted by the Company Law and Security Exchange Law.
Compensation Committee	Assist the board of directors with executing and evaluating the company's overall salary and welfare policies, as well as the salary for directors and managers.
Sustainable Development Committee	To fulfill the vision and mission of our company's sustainable development ESG policy, we are promoting the Group's sustainable development policy, actively fulfill our duty to protect the environment, conserve the Earth, and uphold social responsibility.
Audit	Responsible for internal auditing and operation procedures, as well as ensuring they can follow management auditing.
Finance & Accounting	Responsible for capital movement, accounting transactions, and strategic investments, as well as implementing company operations, investor relations, and share affairs.
Research & Development	Responsible for developing and designing product technology, introducing new equipment/technology, and the trial production, testing, and verification of new products.
Operation	Responsible for matters related to production, quality, procurement, and information management, thus achieving annual production plans and objectives.
Sales	Responsible for market information collection, product sales, and customer service; develops new market and customers; and responsible for the introduction of new products and maintaining current customers.
Administration	Responsible for general affairs and the HR management system, making full use of organization and human resources, and ensuring good logistic support and harmonious labor-capital relationships.
Legal	Responsible for legal affairs and application for and maintenance of relative patents.

### 2. Director, Supervisor, President, Vice President, Assistant Vice President, departments, and branch heads

(1) Directors' names, shareholding, and education/experience background (this company does not have a Supervisor set.)

April 20, 2024

Position	Nationality/ registered	Name	Gender Age	Elected Date	Term year	Date of the initial		olding when lected	Present :	shareholding	shar spou	Present eholding of se & minor children		res held in ther name	Major Education/Experience	position in this company	With spouse or 2 <sup>nd</sup> de relative who are supervisor, Directo Supervisor		are a	Remarks (Note 11)
	address		J		·	election	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Background	and in other company	Position	Name	Relation	
Chairman	Canada	Michael Chao- Juei Chiang	Male 61~70	2022/06/23	3	2006/10/20	17,720,401	4.36%	17,720,401	4.36%	l	_	100,000	0.02%	Business Administration, Fu Jen Catholic University TVM Corporation - Chairman Taiwan Video & Monitor Corporation - President	Note 1	ı	_	_	
Director	Taiwan	Li-Chien Hsieh	Male 51~60	2022/06/23	3	2022/06/23	I I	-	-	-	ı	_		I	Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co President	Note 2		_	_	
Director	Taiwan	Tsung-Liang Tsai	Male 51~60	2022/06/23	3	2022/06/23	-	_	_	-	-	_	-	-	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director	Note 3		_	_	
	Samoa	Capable Way Investments Limited (Note 10)	ı				23,139,855	5.69%	23,139,855	5.69%	I	_	_	ı	Master of Business Administration, University of Michigan					
Director	Taiwan	Representative: Hsi-Liang Liu	Male 51~60	2022/06/23	3	2010/01/08	433,498	0.11%	433,498	0.11%	-	_		_	ASE Group -Vice President of Finance Citibank - Vice President of Unit Head	Note 4	_	_	_	
Director	Samoa	Max Gain Management Limited (Note 10)	-	2022/06/23	3	2005/11/21 (2005/11/21~ 2006/10/20)	25,222,643	6.20%	25,222,643	6.20%	-	_	-	-	Mechanical and Electrical Engineering, China University of Science and Technology	Note 5	_	_	_	

Position	Nationality/ registered	Name	Gender Age	Elected Date	Term year	Date of the initial		olding when lected	Present s	shareholding	shar spou	Present eholding of se & minor hildren		res held in ther name	Major Education/Experience	position in this company	relative who are a supervisor, Director		are a ector or	Remarks (Note 11)
	address					election	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Background	and in other company	Position	Name	Relation	
	Taiwan	Representative: Heng-Yao Chang	Male 51~60				543,643	0.13%	543,643	0.13%	-	-	_	_	Manufacturing department (China) of Tupo Optoelectronics Incorporated -Assistant Manager Research departments of Chief Industrial IncAssistant Manager TPK Holding Co., LtdSenior Vice President					
Director	Samoa	High Focus Holdings Limited (Note 10)	_	2022/06/23	3	2010/01/08	13,273,610	3.26%	13,273,610	3.26%	-	_	-	_	Mechanical Engineering National Chin-Yi University of Technology Quality assurance at TVM	Note 6		_	_	
	Taiwan	Representative: Shih-Ming Liu	Male 51~60				70,945	0.02%	70,945	0.02%	-	_	-	_	(PRC) Corporation- Assistant Vice President Amkor Co. Ltd Assistant Vice President					
Independent Director	Taiwan	Ming-Jeng Weng	Male 61~70	2022/06/23	3	2013/05/22	-	-	_	-	_	-	-	-	MBA, University of Southern California Citi Bank- Vice President Salomon Smith Barney Inc. Taipei Branch, Citi Group- General Manager Lehman Brothers Securities Taiwan Ltd Chairman Nomura International (Hong Kong) Limited, Taipei Branch - Managing Director	Note 7		_	_	
Independent Director	Taiwan	Yen-Wei Cheng	Male 61~70	2022/06/23	3	2022/06/23	-	-	-	_	_	_	_	_	National Taipei Institute of Technology High Ten Corp Manager Hitron Technologies Inc Chairman & CEO	Note 8	-	_	_	
Independent Director	Taiwan	Hsiu-Chun Wang	Male 51~60	2022/06/23	3	2022/06/23	-	-	_	-	_	-	_	-	PhD in Engineering- Economic Systems and Operations Research, Stanford University ABN AMRO Bank - Global Head of Semiconductor Research	Note 9	ı	_	_	

Position	Nationality/ registered	Name	Gender Age	Elected Date	Term vear	initial		olding when lected	Present :	shareholding	shar spou	Present eholding of se & minor children		res held in ther name	Major Education/Experience	position in this company	supervisor, Director or			Remarks (Note 11)
	address		8.		•	election	Shares	Ratio of shareholding	Shares	Shares Ratio of shareholding		Ratio of shareholding	Shares	Ratio of shareholding	Background	and in other company	Position	Name	Relation	
															WK Technology Fund - Managing Director Grand River Capital Management Company - Consultant					

- Note 1: Michael Chao-Juei Chiang's current position in this company and in other company: TPK Touch Solutions Inc.-Chairman, TPK Touch Solutions (Xiamen) Inc.-Executive Director, TPK Glass Solutions (Xiamen) Inc.-Executive Director, TPK Touch Solutions (Pingtan) Inc.-Executive Director, TPK Asia Pacific Sdn. Bhd.-Director, Ray-Star Universal Solutions Limited-Director, TPK Holdings Limited-Director, Optera TPK Holding Pte. Ltd.-Director, Amplifi Tech Hong Kong Co., Limited-Director, Amplifi Tech Hong Kong Co., Limited-Director, TPK Auto Tech (Xiamen) Limited-Director, TPK Trading (Xiamen) Inc.-Executive Director, TPK Precision (Xiamen) Inc.-Executive Director, TPK Precision Hong Kong Co., Limited-Director, TES Touch Embedded Solutions Inc.-Director, TES Technology (Hong Kong) Limited-Director, TES Touch Embedded Solutions (Xiamen) Co., Ltd.-Director, Cambrios Film Solutions Corporation-Director, Cambrios Film Solutions Corporation-Director, Cambrios Film Solutions (Hong Kong) Limited-Director, Amplifi Tech Hong Kong Limited-Director, Cambrios Film Solutions (Hong Kong) Limited-Director, TES Touch Embedded Solutions (Niamen) Co., Ltd. -Director, TES Trading (Xiamen) Co., Ltd.-Director, Cambrios Film Solutions Corporation-Director, Cambrios Film Solutions (Hong Kong) Limited-Director, CAM International (Hong Kong) Limited -Director, YING KUAN LIMITED -Director and Representative, Panshi Company Limited -Director and Representative, and Chuan Juei Investment Co. Ltd. -Manager, 35 in total.
- Note 2: Li-Chien Hsieh's current position in this company and in other company: President of the Company, TPK Touch Solutions (Xiamen) Inc.- President, TPK Glass Solutions (Xiamen) Inc.- President, TPK Touch Systems (Xiamen) Inc.- President, TPK Touch Systems (Xiamen) Inc.- President, TPK Touch Systems (Xiamen) Inc.- President, TPK Precision (Xiamen) Inc.- Preside
- Note 3: Tsung-Liang Tsai's current position in this company and other company: Senior Vice President of the Company, Cambrios Film Solutions Corporation Taiwan Branch-Legal representative and Cambrios Film Solutions (Xiamen) Corporation-Legal representative and Cambrios Film Solutions Corporation-Director, 4 in total.
- Note 4:Hsi-Liang Liu's current position in this company and other company: Senior Vice President of the Company, TPK Touch Solutions (Xiamen) Inc.-Supervisor, TPK Glass Solutions (Xiamen) Inc.-Supervisor, Trend Technology (Xiamen) Inc.-Supervisor, TPK Touch Systems (Xiamen) Inc.-Supervisor, TPK MasTouch Solutions(Xiamen) Inc.-Supervisor, TPK Touch Solutions (Pingtan) Inc.-Supervisor, TPK Asia Pacific Sdn. Bhd.-Director, Ray-Star Universal Solutions Limited-Director, Optera TPK Holding Pte Ltd.-Director, XiaMen Jan Jia Optoelectronics Co., Ltd. –Supervisor, TPK Material Solutions (Xiamen) Inc.-Supervisor, TPK Trading (Xiamen) Inc.-Supervisor, TPK Precision (Xiamen) Inc.Supervisor, EDOM Technology Co., Ltd.-Independent Director, Just Kitchen Holdings Corp. Director, Casual Restaurants Inc. Director, Pou Sheng International (Holdings) Limited-Independent Non-executive Director, DS Energy Technology Co., Ltd.-Representative of Corporate Director and Sino Horizon Holdings Limited- Independent Director, 22 in total.
- Note 5: Heng-Yao Chang doesn't hold a position in this company and other company.
- Note 6: Shih-Ming Liu's current position in this company and in other company: Senior Vice President of the Company, TPK Film Solutions (Xiamen) Inc.- President, TPK MasTouch Solutions (Xiamen) Inc.- President, TPK Touch Solutions (Pingtan) Inc.- President, TPK Advanced Solutions Inc.-Director and TPK Material Solutions (Xiamen) Inc.-Manager, 6 in total.
- Note 7: Ming-Jeng Weng's current position in this company and in other company: Millerful Capital Partners Inc. Senior Partner, 1 in total.
- Note 8: Yen-Wei Cheng's current position in this company and in other company. Sports Gear Co., Ltd. Director, Artmo Inc. and Taiwan IC Packaging Corporation, Inc. Independent Director, 3 in total.
- Note 9:Hsiu-Chun Wang's current position in this company and in other company: GRC Managers Limited Director & Managing Partner, Swancor Holding Co -Independent Director, GreenPeak Renewables Company Limited Director and Sinogreenergy Management Company Chairman, 4 in total.
- Note 10:FINI name of Taiwan-Max Gain Management Limited: Yuanta Bank in custody for Max Gain Management Limited.; Capable Way Investments Limited: CTBC BANK CO., LTD in custody for Capable Way Investments Limited.; High Focus Holdings Limited: HSBC Bank (Taiwan) Limited in custody for High Focus Holdings Limited.
- Note 11: The chairman and the general manager or the equivalent (the top manager) are the same person, and are spouses or relatives of one parent: none.

#### 1. Main Shareholders of Juridical Person

April 20, 2024

Name of Juridical Person	Main Shareholders of Juridical Person	Ratio of shareholding (%)
Capable Way Investments Limited	Digitalking Technology Limited	100%
Max Gain Management Limited	Champ Great Int'l Corporation	100%
High Focus Holdings Limited	Champ Great Int'l Corporation	100%

Note: Taiwan FINI Account Name: Capable Way Investments Limited is the Capable Way special account for investment entrusted by CTBC Bank Co., Ltd.; Max Gain Management Limited is the Max Gain special account for investment entrusted by Yuanta Commercial Bank Co., Ltd.; High Focus Holdings Limited is the High Focus special account for investment entrusted by HSBC Bank (Taiwan) Limited.

#### 2. The above Main shareholder is juridical person

April 20, 2024

Name of Juridical Person	Main Shareholder of Juridical Person	Ratio of shareholding (%)
Champ Great Int'l Corporation	Champ Great Management Co., Ltd.	100%
Digitalking Technology Limited	Champ Great Management Co., Ltd.	100%

# (2) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

April 20, 2024

Qualification Name of Director	Professional qualifications and experience
Michael Chao-Juei Chiang	
Li-Chien Hsieh	
Tsung-Liang Tsai	
Capable Way Investments Limited Representative: Hsi-Liang Liu	Professional qualifications and experience of Directors, please refer to this annual report (1) Directors' names, shareholding, and education/experience background (P.18-20)  None of the directors has any of the conditions of Article 30 of the Company Act
Max Gain Management Limited Representative: Heng-Yao Chang	(Note 1)
High Focus Holdings Limited Representative: Shih-Ming Liu	

Qualification  Name of Independent Director	xperience of Directors, please refer to this annual report (1)	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Ming-Jeng Weng	Professional qualifications and	All independent directors meet the following conditions:  1. Comply with the relevant provisions of Article 14-2 of the	0
Yen-Wei Cheng	refer to this annual report (1) Directors' names, shareholding, and education/experience	Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2)	1
Hsiu-Chun Wang	None of the directors has any of the conditions of Article 30 of the Company Act (Note 1)	<ul><li>2. I (or in the name of others), my spouse and minor children do not hold shares in the company</li><li>3. The amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years</li></ul>	1

Note 1: Article 30 of Company Act

Anyone who has one of the following circumstances shall not serve as a manager, and those who have already served shall be dismissed of course:

- 1. He has committed a crime stipulated in the Regulations on the Prevention of Organized Crime, and has been convicted by a conviction, but has not yet been executed, has not been executed yet, or has not been executed for five years, or after the probation period expires or the pardon has expired.
- 2. Those who have committed the crime of fraud, breach of trust, or embezzlement have been sentenced to fixed-term imprisonment of more than one year and have been sentenced to fixed-term imprisonment for more than one year.
- 3. Those who have committed crimes under the Code of Corruption and have been convicted of guilt, but have not yet been executed, have not yet been executed, or have been executed, have probation expired or have been pardoned for less than two years.
- 4. Those who have been declared bankrupt or have been ordered to start liquidation procedures by the court and have not been reinstated.
- 5. The use of the ticket has not yet expired after the transaction has been refused.
- 6. Those who are incapacitated or have limited capacity.
- 7. The declaration of assistance has not been revoked.

Note 2:

1. Governments, legal persons or their representatives not specified in Article 27 of the Company Act.

- 2. Concurrently serve as independent directors of other public offering companies, no more than three.
- 3. There is no one of the following conditions in the two years before the election and during the term of office:
- (1) Employees of the company or its affiliates.
- (2) Directors and supervisors of the company or its affiliates.
- (3) I and my spouse, minor children or natural person shareholders who hold more than 1% of the total issued shares of the company in the name of others or hold the top ten shares.
- (4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, of the managers listed in (1) or the persons listed in (2) and (3).
- (5) A director, supervisor or employee of a legal person shareholder who directly holds more than 5% of the total issued shares of the company, and who holds the top five shares or who appoints a representative to serve as a director of the company in accordance with Article 27 of the Company Act.
- (6) A director, supervisor or employee of another company controlled by the same person with more than half of the directors' seats or voting shares of the company.
- (7) A director (director), supervisor (supervisor) or employee of another company or institution who is the same person or spouse as the company's chairman, general manager or equivalent.
- (8) Directors (councils), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.
- (9) Professionals, sole proprietorships, partnerships, companies or institutions that provide auditing or business, legal, financial, accounting and other related services for companies or affiliated companies with a cumulative amount of remuneration not exceeding NT\$500,000 in the last two years Principal, partner, director (council), supervisor (supervisor), manager and their spouse. However, it is not limited to those who serve as members of the Company's Compensation Committee.

#### (3) Diversity and Independence of the Board of Directors

#### 1. Diversity of the board of directors:

The nomination and selection of members of the board of directors of the company follows the provisions of the company's articles of association, adopts the nomination system for candidates, and stipulates the "Director Election Method", which clearly defines the nomination, qualification and evaluation policies and standards of director candidates, and follows the "Corporate Election Method". Governance Best Practice Principles" strengthen the functions of the board of directors and achieve the diversity of board members.

At present, the members of the board of directors of the company have diverse backgrounds, including professional backgrounds in different industries, academia and finance. According to Article 20 of "Corporate Governance Best Practice Principles", board members should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Bank's Board of Directors implements diversity as follows:

Diversity Core Program	Nationality		51 ~	ge 61 ~	Operational Judgment Ability	Accountant and Financial Analysis	Operation Management Ability	Crisis Management Ability	Professional Expertise	View of World	Leadership	Decision- making Ability
Name			60	70	,	Ability						,
Michael Chao-Juei Chiang	Canada	M		<b>~</b>	✓		✓	✓	✓	✓	✓	✓
Li-Chien Hsieh	R.O.C	M	<b>\</b>		<b>√</b>	<b>√</b>	<b>√</b>	<b>√</b>	✓	<b>√</b>	✓	✓
Hsi-Liang Liu	R.O.C	M	<b>\</b>		✓	✓	✓	✓	✓	<b>√</b>	✓	✓
Heng-Yao Chang	R.O.C	M	<b>\</b>		✓		✓	✓	✓	<b>√</b>	✓	✓
Tsung- Liang Tsai	R.O.C	M	✓		✓		✓	✓	✓	✓	✓	✓
Shih-Ming Liu	R.O.C	M	✓		✓		✓	✓	✓	✓	✓	✓
Ming-Jeng Weng	R.O.C	M		>	✓	<b>√</b>	✓	✓		<b>√</b>	✓	✓
Yen-Wei Cheng	R.O.C	M		>	✓		✓	✓	✓	<b>√</b>	✓	✓
Hsiu-Chun Wang	R.O.C	M	✓		✓	✓	✓	✓	✓	✓	✓	✓

#### 2. Independence of the board of directors:

Among the nine directors of the company, three are independent directors, accounting for 33% of the total number of directors, and there is no relationship between the directors of spouses or relatives within the second degree of kinship, nor is there any government agency or a single legal person organization and its subsidiaries occupying the When the number of seats on the board of directors is more than one-third.

(4) President, Vice President, Assistant Vice President, department and branch heads (Assistant Vice President is not available in this company):

April 20, 2024

Position	Position Nationality Name		Gender	Elected date	Sharehol			and minor		held in r's name	Major Education/Experience Background	Current position in other company	With spo degree re a presiden	elative ent or v	who are	Remarks
					Shares	Ratio of shareholding		Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
President	Taiwan	Li- Chien Hsieh	Male	2018/12/01		_					Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co President	TPK Holding Co., Ltd Director TPK Touch Solutions (Xiamen) IncPresident TPK Glass Solutions (Xiamen) IncPresident Trend Technology (Xiamen) IncPresident TPK Touch Systems (Xiamen) IncPresident TPK Advanced Solutions IncDirector and President XiaMen Jan Jia Optoelectronics Co., Ltd- Executive Director TPK Trading (Xiamen) IncPresident TPK Precision (Xiamen) IncPresident Stellar Energy Technology Inc Chairman Good-Pro Electronic Technology (Xiamen) IncChairman				
Senior Vice President	Taiwan	Tsung- Liang Tsai	Male	2006/11/06	_	-	_	-	_	-	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director	TPK Holding Co., Ltd Director Cambrios Film Solutions Corporation Taiwan Branch-Legal representative	_	_	_	

Position Nationali		Name	nme Gender	Elected date	Sharehol	ding		olding of and minor n		held in r's name	Major Education/Experience Background	Current position in other company	With spo degree re a presiden	elative ent or v	who are	Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding		Ratio of shareholding			Position	Name	Relation	
												Cambrios Film Solutions (Xiamen) Corporation- Legal representative				
Senior Vice President	Taiwan	Shih- Ming Liu	Male	2006/01/02	70,945	0.02%		_	_	_	Mechanical Engineering, National Chin-Yi University of Technology Quality assurance at TVM (PRC) Corporation- Assistant Vice President Amkor Co. Ltd Assistant Vice President	TPK Holding Co., Ltd Representative of Corporate Director TPK Film Solutions (Xiamen) IncPresident TPK MasTouch Solutions(Xiamen) Inc Executive Director and President TPK Touch Solutions (Pingtan) IncPresident TPK Advanced Solutions IncDirector TPK Material Solutions (Xiamen) IncPresident	_	ı	T	
Senior Vice President	Taiwan	Hsi- Liang Liu	Male	2009/09/01	433,498	0.11%	_	_	_	_	Master of Business Administration, University of Michigan ASE Group-Vice President of Finance Citibank- VIce President of Unit Head	TPK Holding Co., Ltd Representative of Corporate Director TPK Touch Solutions (Xiamen) Inc Supervisor TPK Glass Solutions (Xiamen) Inc Supervisor Trend Technology (Xiamen) Inc Supervisor TPK Touch Systems (Xiamen) Inc Supervisor TPK Touch Systems (Xiamen) Inc Supervisor TPK MasTouch Solutions(Xiamen) Inc Supervisor			l l	

Position	Nationality	Name	Gender	Elected date	Sharehol		spouse childre	and minor n	another's name		Major Education/Experience Background	Current position in other company	With spe degree r a preside presiden	who are	Remarks	
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
												TPK Touch Solutions (Pingtan) Inc Supervisor TPK Advanced Solutions Inc Supervisor TPK Film Solutions (Xiamen) Inc Supervisor TPK Asia Pacific Sdn. BhdDirector Ray-Star Universal Solutions Limited- Director Optera TPK Holding Pte LtdDirector XiaMen Jan Jia Optoelectronics Co., LtdSupervisor TPK Material Solutions (Xiamen) Inc Supervisor TPK Trading (Xiamen) Inc.Supervisor TPK Precision (Xiamen) Inc.Supervisor DS Energy Technology Co., Ltd Representative of Corporate Director EDOM Technology Co., LtdIndependent Director Just Kitchen Holdings Corp Director Casual Restaurants Inc Director				

Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	ı
												Pou Sheng International (Holdings) Limited- Independent Non- executive Director Sino Horizon Holdings Limited- Independent Director				
Senior Vice President	Taiwan	Ming- Chung Chuang	Male	2018/10/09	5,000	0.00%	_	_	_	_	Institute of Electronics Engineering, National Tsing Hua University Wistron Corporation - TFT LCM OEM and ODM Department Supervisor of Optoelectronics Division Industrial PC Electronics Inc Executive Vice General Manager of China Agilent Technologies- Supervisor of China/HongKong/Taiwan HP Inc Department manager	Good-Pro Electronic Technology (Xiamen) IncDirector & President Chenergy Electronic Materials (Zhejiang) Inc Executive Director	_		_	
Senior Vice Presiden	Taixvan	Jen-I Tai	Male	2014/12/16	_	_	_	_	_	-	Department of Law, Soochow University Canatu Oy Ltd Director of China Lite On Young Fast (Huizhou) Co., LtdChief Operating Officer Imagic Technology Co.,Ltd Vice General Manager	Amplifi Tech (Xiamen) LimitedExecutive Director Stellar Energy Technology Inc President	_	_	_	
Vice President		Pei- Ching Tsai	Female	2020/02/21	14,264	0.00%	6,000	0.00%	_	_	Master of Finance, Saint Louis University. TPK Touch Solutions Inc- Senior Diretor of Finance Division	П	_	-	-	

Position	Nationality	Name	( 'ondor	Flected	Shareholding		enouse and minor				Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	1
											TVM Corp Assistant Vice President of Finance and Accounting Division Taiwan Video & Monitor CorpManager of Finance Division					
Vice President	Taiwan	Chun- An Wei	Male	2021/11/09	_	_	_	_	_	_	Master of Electrical Engineering, Tatung University SiPix Technology Inc Assistant Vice President of RD Department CPT Ltd-Director of module design Department. Hitachi Asia LtdDupty Mananger of RD Department.	_	_	_	_	
Accountant Officer	Taiwan	Hu-Yao Lin	Male	2017/09/01	_	-	_	_	_	_	Master of Accounting, Soochow University Manz Taiwan Ltd Manager of Accounting Department	DS Energy Technology Co., Ltd Representative of Corporate Director Stellar Energy Technology Inc Supervisor Good-Pro Electronic Technology (Xiamen) Inc Supervisor	_	_	I	

# 3. Remuneration of the Director, Supervisor, President and Vice President

(1)Remuneration of Director and Independent Director

Unit: NT\$1,000

				F	Remuner	ation of I	Director				m of		Remune	ration in	the capa	city as	an emj	ployee		Su	m of	Remuner ation
		compe	ase nsation (A)	pay	rance and ons (B)	sha compe	or profit- aring ensation C)	perqu	ses and uisites D)	ratio	C+D and to net ome	an	y, rewards, d special rsements (E)	and P	nce Pay ensions F)		oloyee p compen		sharing (G)	F+G a	C+D+E+ and ratio income	from an Invested Company Other
Position	Name	The Compan y	All compani es included in the	-	All compan ies include d in the	The Compan	All companie s included in the	The	All compani es included in the	The Company	All companie s included in the	The Compa ny	All companies included in the financial	The	All compani es included in the	com	he pany	comp inclu the fir	All panies ded in nancial port	The Com pany	All companie s included in the	than the Company
		·	financial report	•	financia l report		financial report		financial report		financial report		report		financia l report	Cash	Stock	Cash	Stock		financial report	parent Company
Chairman	Michael Chao-Juei Chiang																					
Director	Li-Chien Hsieh																					
Director	Tsung-Liang Tsai																					
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu									216	216									216	43,026	
Director	Max Gain Management Limited	-	-	-	-	-	-	216	216	0.10%	0.10%	-	42,810	-	-	-	-	-	-	0.10%	20.65%	-
	Representative: Heng-Yao Chang																					
Director	High Focus Holdings Limited Representative: Shih-Ming Liu																					
Independent Director	Ming-Jeng Weng																					
Independent Director	Yen-Wei Cheng	3,376	3,376	-	-	-	-	108	108	3,484 1.67%	3,484 1.67%	-	-	-	-	-	-	-	-	3,484 1.67%	3,484 1.67%	-
Independent Director	Hsiu-Chun Wang																					

1: Please describe Independent Directors' remuneration policies, procedures, standards, structure and connection between the amount of remuneration according to the responsibilities, risks, time spent and other factors:

Independent directors' remuneration is base on participation in the Company's operations and the individual contribution. The board of directors offer a fair remuneration according to the company's operating performance, risks of future and trends, also refer to domestic and foreign market standards.

2: In addition to the above table, Directors remunerations earned by providing services (i.e. non-employee consulting services) to all consolidated entertites in the financial statements: None.

## (2)Range of Remuneration to Director (include Independent Director)

Unit: NT\$

		Name of	Director	Omt: N15
Range of Remuneration to Directors		ration Amount +C+D)		ration Amount D+E+F+G)
to Directors	The company	All companies included in the financial report (H)	The company	All companies included in the financial report (I)
Below NT\$ 1,000,000	Michael Chao-Juei Chiang, Li-Chien Hsieh , Tsung-Liang Tsai , Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited	Michael Chao-Juei Chiang, Li-Chien Hsieh , Tsung-Liang Tsai , Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited	Michael Chao-Juei Chiang, Li-Chien Hsieh, Tsung-Liang Tsai, Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited	Michael Chao-Juei Chiang, Max Gain Management Limited
NT\$ 1,000,000 (include) ~ 2,000,000 (not include)	Ming-Jeng Weng, Yen-Wei Cheng, Hsiu-Chun Wang	Ming-Jeng Weng, Yen-Wei Cheng, Hsiu-Chun Wang	Ming-Jeng Weng, Yen-Wei Cheng, Hsiu-Chun Wang	Ming-Jeng Weng, Yen-Wei Cheng, Hsiu-Chun Wang
NT\$ 2,000,000 (include) ~ 3,500,000 (not include)	_	_	_	_
NT\$ 3,500,000 (include) ~ 5,000,000 (not include)	_	_	_	_
NT\$ 5,000,000 (include) ~ 10,000,000 (not include)	_	_	_	Capable Way Investments Limited, Li-Chien , High Focus Holdings Limited, Tsung- Liang Tsai
NT\$ 10,000,000 (include) ~15,000,000 (not include)	_	_	_	_
NT\$ 15,000,000 (include) ~30,000,000 (not include)	_	_	_	Li-Chien Hsieh
NT\$ 30,000,000 (include) ~50,000,000 (not include)	_	_	_	_
NT\$ 50,000,000 (include) ~100,000,000 (not include)	_	_	_	-
Above NT\$ 100,000,000	_	_	_	_
Total	9	9	9	9

<sup>(3)</sup>Remuneration of Supervisor: Supervisor is not set in this company, thus it is not applicable.

## (4)Remuneration of President and Vice President

Unit: NT\$ thousands

		Salary (A)		Severance pay and pensions (B)		Rewards and special disbursements (C)		Emple	oyee profit	-sharing co	ompensation	Sum of A+F	Irom an Invested	
Position	Name		All companies included in the financial report	The Company	All companies included in the financial report		All companies	The Company		All companies included in the financial report			All companies	Other than the Company's
		The Company				The Company	included in the financial report	Cash	Stock	Cash	Stock	The Company	included in the	Subsidiary or parent Company
President	Li-Chien Hsieh													
Senior Vice President	Tsung-Liang Tsai													
Senior Vice President	Shih-Ming Liu													
Senior Vice President	Hsi-Liang Liu		20, 600				12.126						82,044	_
Senior Vice President	Ming-Chung Chung	-	39,608	-	-	-	42,436	-	-	-	-	-	39.37%	
Senior Vice President	Jen-I Tai													
Vice President	Pei-Ching Tsai													
Vice President	Chun-An Wei													
Accountant Officer	Hu-Yao Lin													

Note 1: The remunerations disclosed in this table are different from incomes defined in Income Tax, thus this table is only used for information disclosure but not for tax. Note 2: As of December 31, 2023.

Range of Remuneration to	Name of Presider	nt and Vice President
President and Vice President	The company	All companies included in the financial report (E)
Below NT\$ 1,000,000	<del>_</del>	_
NT\$ 1,000,000 (include)~ 2,000,000 (not include)	_	_
NT\$ 2,000,000 (include)~ 3,500,000 (not include)	_	_
NT\$ 3,500,000 (include) ~ 5,000,000 (not include)	_	Hu-Yao Lin
NT\$ 5,000,000 (include) ~ 10,000,000 (not include)	_	Tsung-Liang Tsai, Shih-Ming Liu, Hsi-Liang Liu, Pei-Ching Tsai, Chun-An Wei
NT\$ 10,000,000 (include)~ 15,000,000 (not include)	_	Ming-Chung Chuang, Jen-I Tai
NT\$ 15,000,000 (include)~ 30,000,000 (not include)	_	Li-Chien Hsieh
NT\$ 30,000,000 (include)~ 50,000,000 (not include)	<del>-</del>	_
NT\$ 50,000,000 (include)~ 100,000,000 (not include)	_	_
Above NT\$ 100,000,000	_	_
Total	_	9

- (6)Employee's rewards paid to managers, the names and allocation: None
- (7)Separately compare and describe total remuneration as a percentage of net income as paid by this company, and by each other company included in the consolidated financial statements, during the past two fiscal years to its Director, Supervisor, President, and Vice President, and analyze and describe remuneration policies, standards, and packages, the procedure for setting remuneration, and relationships with performance and future risks (this company does not have a Supervisor).
- 1. Analysis of the proportion of the total remuneration paid by the company and all companies to its director, supervisor, president, and vice president in net income.

Unit: NT\$ thousands

Item	Ratio of total supervisors, income.	remuneratio president and	_	·	
	20	22	2023		
	Amount	%	Amount	%	
Director	8,720	1.61%	3,700	1.78%	
President and Vice President	81,225	14.94%	82,044	39.37%	

Note: Net Income attributed to parent company in 2023 and in 2022 amounted to NT\$208,390 thousands and NT\$543,738 thousands respectively.

- 2. Policy, standards, and portfolio of remuneration paid, procedure for remuneration formulated and relationship with operation performance and future risks
  - (1) In accordance with the amendments to the latest Company Act announced, and the General Meeting of Shareholders resolved to the amendment in the Articles on June 23, 2022, the Company accrued employees' compensation and remuneration of directors at rates of no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.
  - (2) The remuneration of the Director will be paid according to the service scope and value of this Director to the company and in line with like companies in the R.O.C and abroad. Meanwhile, the board performance evaluation has been conducted each year. The Company shall base its determination of an individual director's remuneration on the evaluation results of his or her performance. The criteria for evaluating the performance of the board of directors which the following five aspects: participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control. The criteria for evaluating the performance of the board members which the following six aspects: alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
  - (3) The remuneration paid to the managerial officers over the past two years is divided into salaries and bonuses. Reasonable remuneration shall be distributed in consideration of the company's operating results, risk and development trends in the industry, and personal performance and contribution to the company's operating results. Evaluation of performance and reasonable of remuneration shall be reviewed by the Compensation Committee and the board of directors and may be adjusted in a timely manner according to the operations and related law and regulations, so as to achieve the company's sustainable development and risk management.

### 4. Implementation of Corporate Governance

(1) Operation of the Board of Directors:

The Board of Directors had convened 7 times (A) from 2023 to April 20, 2024. Attendance records are as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%) (B/A)	Remarks (Note)
Chairman	Michael Chao-Juei Chiang	6	1	85.7%	
Director	Li-Chien Hsieh	7	0	100%	
Director	Tsung-Liang Tsai	7	0	100%	
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu	7	0	100%	
Director	Max Gain Management Limited Representative: Heng-Yao Chang	7	0	100%	
Director	High Focus Holdings Limited Representative: Shih-Ming Liu	7	0	100%	
Independent Director	Ming-Jeng Weng	6	1	85.7%	
Independent Director	Yen-weithend		0	100%	
Independent Director	Hsiu-Chun Wang	7	0	100%	

#### Other items that shall be disclosed:

- 1. When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:
  - (I) Matters included in Article 14-3 of the Securities and Exchange Act: regulations from Article 14-3 are not applicable since the Company has already established an Audit Committee. For explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please see Operations of the Audit Committee.
  - (II) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None.
- 2. The status of avoidance of conflict of interests by Directors on sensitive issues, it shall describe Director name, proposal contents, reasons and status of decisions:

Meeting Date	Proposal Contents	Reasons for avoidance of conflict of interests and status of decisions
March 8, 2023	Decide to pass the KPI bonus plan for senior managers in 2022.	Director Li-Chien Hsieh, Tsung-Liang Tsai, Hsi- Liang Liu and Shih-Ming Liu avoid of conflicts of interests; after the opinions of Directors were inquired by the chairman, the plan passed without objection.
July 6, 2023	Proposed the company's compensation distribution plan for directors in 2022.	Director Michael Chao-Juei Chiang, Li-Chien Hsieh, Tsung-Liang Tsai, Hsi-Liang Liu, Heng-Yao Chang, Shih-Ming Liu, Ming-Jeng Weng, Yen-Wei Cheng and Hsiu-Chun Wang avoid of conflicts of

		interests; and after consulting with the directors present and receiving no objections, the proposal has been approved.
	Decide to pass the remuneration plan for senior managers.	Director Li-Chien Hsieh, Tsung-Liang Tsai, Hsi- Liang Liu and Shih-Ming Liu and avoid of conflicts of interests; after the opinions of Directors were inquired by the chairman, the plan passed without objection.
September 27, 2023	Subsidiary TPK Glass Solutions (Xiamen) Inc. to selling 60% shares of TPK Auto Tech (Xiamen) Limited to TES Touch Embedded Solutions (Xiamen) Co., Ltd.	Director Michael Chao-Juei Chiang avoids of conflicts of interests; and after consulting with the directors present and receiving no objections, the proposal has been approved.

3. Performance evaluation of the Board of Directors:

Evaluation	Evaluation	Evaluation	Evaluation	Evaluation
Cycle	Period	Scope	Method	Content
	2022.11.01 to 2023.10.31	Board of Directors	Internal self- evaluation by the board of directors	The measurement items of the "Board Performance Evaluation Self-evaluation Questionnaire" cover five major aspects including participation in company operations, improvement of the decision-making quality of the board of directors, composition and structure of the board, selection and continuous education of directors, and internal control, totaling 38 evaluation indicators.
Annually	2022.11.01 to 2023.10.31	Individual board members	Board member self- evaluation	The measurement items of the "Self-assessment Questionnaire for Directors' Performance Evaluation" include the mastery of the company's objectives and tasks, the awareness of directors' responsibilities, the degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc. In general, there are 22 evaluation indicators.

4. Strengthening the function of the board of directors and its execution condition in this year and last year (such as establishing an Audit Committee, improving information transparency):

The board of directors authorizes its Audit Committee and Compensation Committee to separately assist with supervision. These two committees are each composed of three Independent Directors. The chairman of each committee shall regularly report its activities and decisions to the board of directors.

### (2) Operation condition of Audit Committee:

The Audit Committee had convened 7 times (A) from 2023 to April 20, 2024.

Attendance records are as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%) (B/A)	Remarks (Note)
Independent Director	Ming-Jeng Weng	6	1	85.7%	

Independent Director	Yen-Wei Cheng	7	0	100%	
Independent Director	Hsiu-Chun Wang	7	0	100%	

Other items that shall be disclosed:

- 1.If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
  - (I) Matters included in Article 14-5 of the Securities and Exchange Act:

All resolutions have been approved with the consent of one-half or more of all Audit Committee members before a resolution has been reached at the Board meeting. There were no other resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors. (Please see 4. Implementation of Corporate Governance - (11) Major Resolutions of the General Meeting of Shareholders and Board Meetings)

- (II) Except the items in the preceding issues, other resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors: None
- 2.In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated: None.
- 3. Communication condition between Independent Directors, internal auditing supervisor, and CPA (including communication of important events, methods, and results related to financial and business conditions):

#### Description:

(1) Company's internal auditing supervisor will regularly communicate the audit results with members of the Audit Committee and report it in the Audit Committee meeting in each quarter. Under special situations, the auditing supervisor will also report to members of the Audit Committee, while special situation did not occur in the recent year. Audit Committee communicates well with internal auditing supervisor.

Date And Method	Communication focus	Communication situation and results
March 8, 2023 Audit Committee	Audit execution business and defect tracking report in the fourth quarter of 2022     Execution of internal audit plan declared in MOPS     Pass the 2022 Internal Control Statement	All attending committee members discussed and approved it.
May 3, 2023 Audit Committee	The first quarter of 2023 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.

July 6, 2023 Audit Committee	January to May of 2023 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
August 16, 2023 Audit Committee	The second quarter of 2023 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
September 27, 2023 Audit Committee	January to August of 2023 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
November 4, 2023 Audit Committee	The third quarter of 2023 audit execution business and defect tracking report     Please check the implementation of the internal audit plan of MOPS     Seromulate the 2024 audit plan     Revision of the internal control system and internal audit system.	All attending committee members discussed and approved it.

(2) Company's CPA will report financial report check or review results and other matters required in related laws in the annual Audit Committee meeting; under special situations, CPA will also report to members of the Audit Committee. There is no such special situation in the recent year. Audit Committee communicates well with CPA.

CPA attended the Audit Committee meeting on March 8, 2023, August 16, 2023 and March 7, 2024.

		Communication
Date And Method	Communication focus	situation and
		results
March 8, 2023 Audit Committee	<ol> <li>Arrange two accountants to brief the audit committee and explain the 2022 consolidated financial statements.</li> <li>Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired.         The accountant prepared an internal control proposal for 2022.         During the audit, no major deficiencies in the company's internal control were found.3. Recent regulatory changes report.     </li> <li>Provide an explanation and audit quality indicators regarding the "Review Procedures for Pre-approval of Non-assurance Services Provided by the Auditor"</li> </ol>	All attending committee members discussed and approved it.
August 16, 2023 Audit Committee	<ol> <li>Arrange two accountants to brief the audit committee and explain the 2023 Q2 consolidated financial statements.</li> <li>Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired.</li> <li>Recent regulatory changes report.</li> <li>Explain the accounting treatment of equity transactions under joint control and provide relevant information.</li> </ol>	All attending committee members agreed to take note of it.
March 7, 2023 Audit Committee	<ol> <li>Arrange two accountants to brief the audit committee and explain the 2023 consolidated financial statements.</li> <li>Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired.         The accountant prepared an internal control proposal for 2023.         During the audit, no major deficiencies in the company's internal control were found.3. Recent regulatory changes report.     </li> <li>Recent regulatory changes report.</li> <li>Provide AQIs information</li> <li>Explain information related to the company's future disclosures in relation to the "IFRS Sustainable Disclosure Standards".</li> </ol>	All attending committee members discussed and approved it.

- 4. Annual key functions and operations:
- (I) 2023 Annual key functions
  - 1. Financial statements, business reports and Profit Distribution.

- 2. The assessment of the effectiveness of the internal control system and the plan of the audit program.
- 3. Appointment, dismissal, and independence evaluation of CPA.
- 4. Significant assets, capital loans, endorsement guarantees and derivative transactions.
- 5. New subsidiary case
- 6. Deliberation on internal control system and the Regulations Governing Granting Endorsements or Guarantees to Others.

#### (II) 2023 operations:

Matters included in Article 14-5 of the Securities and Exchange Act have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors. (Please refer to the annual report (11) Major Resolutions of the General Meeting of Shareholders and Board Meetings)

(3) Corporate Governance Implementation Status and Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies":

		Implementation Status			Deviations from
	Evaluation Item		No	Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
1.	Whether this company has formulated and disclosed the company's corrective action plan according to SE/OTC listed companies' corrective action?	<b>V</b>		Our company has formulated an operation practice code and distributed it to the public information observation website; the operation of our company is based on business operation, we promote business operation through strengthening operation transparency and function of the board of directors.	There is no big deviation.
2.	This company's shareholding composition and shareholder's equity  (1) Whether this company has formulated internal operation procedure to deal with shareholder's proposals, doubts, disputes, and lawsuits, and has been implemented according to the procedure?			(1) In order to ensure shareholder equity, this company has set special personnel and email (7777@tpk.com); special personnel for inetrnal processing procedure can handle share affairs and investor relations, personnel for legal affairs can handle shareholder opinions, disputes, and lawsuits related to overseas income tax. At the same time, in response to the internal and external personnel's	

Evaluation Item		Implementation Status			Deviations from
		No		Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
(2) Whether this company has the name list of main shareholders and the final controller of shareholders?	<		(2)	reporting system for illegal (including corruption) and unethical behavior, the company has set an appeal mailbox (whistle.blowing@tpk.com), and special personnel will be assigned to handle relative affairs.  This company has set the unit for shares affairs and agent for shares affairs which can timely grasp the main shareholders of the company and the final controller of main shareholders.	_
<ul><li>(3) This company's efforts to set up and implement risk control mechanism and firewall with affiliates?</li><li>(4) Whether the company has formulated internal</li></ul>			(3)	transaction management method which can define the regulation for enterprise operation, business and financial relation with an interested party, and thus to reach the risk control mechanism.	There is no big deviation.
regulations to forbid purchasing and selling of	•		(4)	This company has formulated a processing procedure for important internal information to forbid purchasing	_

Evaluation Item				Implementation Status	Deviations from
		No		Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
securities by internal employees with the use of undisclosed information in the market?				and selling of securities by internal employees with the use of undisclosed information in the market.	
<ul> <li>3. The composition and responsibility of board of directors <ul> <li>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</li> <li>(2) Except for the establishment of Compensation Committee, whether this company has set other functional committees on its own?</li> </ul> </li> <li>(3) Does the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?</li> </ul>	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	V	(1) (2) (3)	Diversity policy and specific management objectives and implementation:  Please refer to this annual report (3)  Diversity and Independence of the Board of Directors(P.24)  Our company has set salaries and a remuneration commission, Audit Committee, and other functional committees will be set according to actual demands in future.  The company has formulated the board of directors' performance evaluation method and its evaluation method, and regularly conducts performance evaluation every year, and submits the results of the performance evaluation to the board of directors, and uses it as a reference for the	There is no big deviation.  There is no big deviation.

				Implementation Status	Deviations from
					"Corporate Governance
Evaluation Item	Yes	No		Summary	<b>Best Practice Principles</b>
		110		Summary	for TWSE/TPEx Listed
					Companies" and Reasons
			r	emuneration of individual directors and	
			n	nominations for renewal.	
(4) Regular assessment of the independent performance of	· ·		(4) T	The company's audit committee regularly	There is no big deviation.
the CPA in the auditing practice?			e	evaluates the independence and	
			C	competency of the accountants every	
			У	year, and then reports the evaluation	
			r	esults to the board of directors. The	
			r	eview and evaluation is based on the	
			"	Certified Accountant's Independence	
			a	and Competency Evaluation Form"	
			f	formulated by the company and the	
			"	Certified Accountant's Independence	
			a	and Competency Evaluation Form"	
			i	ssued by the accountant. Accountant's	
			Ι	Declaration of Detached Independence"	
			a	and refer to "AQIs" for evaluation.	
			7	The evaluation results of the most recent	
			У	year have been passed by the Audit	
			(	Committee on March 7, 2024, and	
			r	reported to the Board of Directors for	

			Implementation Status	Deviations from
				"Corporate Governance
Evaluation Item	Yes	No	Summary	<b>Best Practice Principles</b>
		110	Summary	for TWSE/TPEx Listed
				Companies" and Reasons
			approval on March 7, 2024. Deloitte	
			Touche Tohmatsu Limited CPA Chuang,	
			Pi-Yu and Chen, Chun-Hung are all in	
			compliance with this Corporate	
			independence and competency	
			assessment criteria. The specific	
			indicators and evaluations of the	
			independence and competency evaluation	
			form are as follows:	
			1. Accountant independence	
			2. Ethical behavior of accountants	
			3. Financial reporting quality	
			4. Timeliness of financial reports	
			5. Professionalism of auditors	
			6. Evaluate and supervise various existing	
			or potential risks of the company	
			7. Communication and interaction with	
			management	
			8. Reasonableness of public expenses	

			Implementation Status	Deviations from
Evaluation Item		No	Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			The five major aspects and 13 indicators of AQIs are as follows:  Aspect 1. Professionalism: Check experience, training hours, turnover rate, professional support  Aspect 2. Quality control: accountant load, audit input, case quality control review (EQCR) review status, quality control support capabilities  Aspect 3. Independence: non-audit services, client familiarity  Aspect 4. Supervision: External inspection deficiencies and penalties, and letters of improvement issued by the competent authority  Aspect 5. Innovation capability: innovation planning or initiative	
4. Does the company set up an appropriate number of suitable personnel responsible for corporate governance matters and appoint a corporate governance manager responsible for corporate governance matters (including but not	<b>V</b>		The Company has a dedicated equity officer responsible for corporate governance-related matters. The Board of Directors has approved the appointment of the Company's Senior Vice	

				Implementation Status	Deviations from
	Evaluation Item Y		No	Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed
	limited to providing information for directors to perform their functions, assisting—directors with legal compliance, handling work related to meetings of the board of directors and the General Meeting of Shareholderss in accordance with law, and producing minutes of board meetings and General Meeting of Shareholderss).			President, Hsi-Liang Liu, as the head of corporate governance, responsible for corporate governance-related matters as the highest executive. The head of corporate governance will handle matters related to the Board of Directors, Audit Committee, Compensation Committee, and General Meeting of Shareholders in accordance with the law, assist directors in taking office and continuing education, provide information necessary for directors to execute their duties, and help directors comply with laws and regulations.	
5.	Whether the Company has set communication channels for interested parties (including but not limited to shareholders, employees, customers and suppliers) and a special area on the website for interested parties, and whether the Company has responded to the enterprise social responsibility topics concerned by interested parties?			The Company has set a special area for interested parties, established communication channels with interested parties such as investors, employees, customers, suppliers, media, district and government departments and execution conditions, handle and response	

Evaluation Item			Implementation Status	Deviations from
		No	Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			company's external relations and matters related to interested party.	
6. Whether the company has entrusted an agent to handle affairs of the board of shareholders?	<b>V</b>		The Company has entrusted Yuanta Securities Co. LTD. to handle affairs of the board of shareholders.	
7. Disclosure of information  (1). Whether the Company has installed a website to fully disclose the information regarding this company's financial business standing as well as management?	<b>&gt;</b>		(1). The Company has installed a website (www.tpk.com) to disclose relative information at time, company overview, Corporate Governance Information and financial information will be declared to the public information website according to the regulations of authority.	_
(2). Whether other methods have been adopted by the Company to disclose information (e.g., installation of websites in English, appointment of designated personnel to collect and disclose information, process for presentation of commercial papers, firm enforcement of spokesperson system, installation of company website, etc.)	<b>V</b>		<ul> <li>(2). 1. The Company has installed a website, and has set the website for financial information and business operation information.</li> <li>2. The Company has set a spokesperson system, and implemented it according to relative laws. Investors can send emails to</li> </ul>	

Evaluation Item				Implementation Status	Deviations from
		No		Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
(3). Did the company publicly disclose and file its financial report within two months of the end of the fiscal year and publicly disclose and file financial reports for the first, second, and third quarters and monthly operational status reports prior to the time limits set by regulations?		V	(3).	IR@tpk.com if there are any doubts, and special personnel will respond.  3. The Company's juridical person briefing will provide a live webcast or live conference call, and the recording files as well as briefings will be placed in the public information observation website and company website.  The company's first, second, third and annual financial reports for 2023 and monthly revenues are announced and declared at the public information observatory before the prescribed deadline, and uploaded to the company's website simultaneously.	_
8. Whether the Company has important information for others to know the business operations (including but not limited to employee rights, employee care, investor relation, supplier relation, rights of interested parties, training of directors and Supervisors, risk management policy and	<b>V</b>		1.	Employee right and benefit: The Company has formulated an employee remuneration method (refer to articles of association), employee performance	There is no big deviation.

				Implementation Status	Deviations from
					"Corporate Governance
Evaluation Item	Yes	No		Summary	Best Practice Principles for TWSE/TPEx Listed
execution of risk measurement standard, execution condition of customer policy, the condition of the company to buy insurance for directors and Supervisors)?			2.	award method, and employee stock option method.  Employee care: The Company pays attention to human rights and employee interests, except for basic requirements in labor laws, the Company has set up a welfare commission, Good News and Wecare to care for employee, and encourages employees to participate in road running, mountain climbing or swimming; in addition, it provides a gym, training center (playing movies irregularly), staff restaurants, staff travel and fire detection drills to maintain a good working environment, and actively develop community activities, so employees can grow healthily.  Investor relation: The Company has set letter box IR@tpk.com, provided a	
				channel for investors to express opinions,	

			Implementation Status	Deviations from
Evaluation Item	Yes	No	Summary	"Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			and set special personnel to respond; the important information will be released on the public information station and website in a timely manner.  4. Training of board of directors: Training courses for authority (shown in the following table).  5. Execution condition of risk management policy and risk measurement standard: Except for strict internal control system and audit carried out by internal auditing personnel, relative insurances are set to avoid risks.  6. Execution condition of customer policy: The Company adheres to credit management and pays attention to customer rights, and the Company has set internal regulations for employees according to relative laws.	

			Implementation Status	Deviations from
				"Corporate Governance
Evaluation Item	Voc	es No	Summowy	<b>Best Practice Principles</b>
	res	110	Summary	for TWSE/TPEx Listed
				Companies" and Reasons
			7. The situation of the company purchasing	
			liability insurance for directors: The	
			Company has insured liability insurance	
			for directors, which is regularly evaluated	
			every year and reports to directors on the	
			renewal of directors' liability insurance.	

9. Please describe the improvement in the results of the recent corporate management review issued by the Corporate Governance Center of the Taiwan Stock Exchange, and give priority to strengthening measures for those matters which have not been improved.

The company's most recent annual corporate governance evaluation results are in the top 51%~65% of listed companies. In the future, we will continue to work hard to implement and strengthen corporate governance in terms of diversifying board members, improving the structure and operation of the board of directors, improving information transparency, and implementing and strengthening sustainable development. The 2022 sustainability report has been completed in September 2023.

## Attached Table:

(1) Director select proper training courses according to their time management and project background, training courses are shown as follows:

Positio n	Name	Organizer Unit	Training Course	Training Date	Traini ng Hours	Whether training can accord with regulation (Note)
Chairma n	Michael Chao- Juei	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
	Chiang	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6	yes
Director	Li- Chien	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
	Hsieh	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6	yes
		Taiwan Stock Exchange Corporation & Securities Counter Trading Center	Publicity meeting on sustainable development action plans for listed companies	April 27, 2023	3	yes
Director	Hsi- Liang	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
	Liu	Taiwan Corporate Governance Association	The best tool for remote auditing in the post-epidemic era-big data auditing and risk intelligent dashboard	August 11, 2023	3	yes
		Securities and Futures Institute	2023 Annual Insider Trading Prevention Promotion Conference	October 20, 2023	3	yes
Director	Heng- Yao	Chinese National Association of Industry and Commerce  Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"		June 02, 2023	3	yes
	Chang	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	3	yes
Director	Tsung- Liang	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
	Tsai	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	3	yes
Director	Shih- Ming	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
	Liu	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	3	yes
Independ ent Director	Ming- Jeng Weng	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6	yes
Independ ent	Yen- Wei	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6	yes
Director	Cheng	Taiwan Institute of Directors	ESG New Horizon-Carbon Neutrality Milestone	August 17, 2023	3	yes

Independ ent	Hsiu-	Association of Industry	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3	yes
Director	Wang	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	3	yes

Note: Means whether it can accord with the training hours, training scope, training system, training arrangements and information disclosure as stipulated in the "Implementation of the Directors of SE/OTC and the implementation of the Supervisor training".

(2) Main manager and audit supervisor of the Company will select suitable courses according to the

project, and their participation in the training is shown as follows:

Positio n	Name	Organizer Unit	Training Course	Training Date	Training Hours							
President	Li-Chien Hsieh	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3							
		Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6							
Chief Strategy		Taiwan Stock Exchange Corporation 及 Securities Counter Trading Center	Publicity meeting on sustainable development action plans for listed companies	April 27, 2023	3							
Officer / Corporat e	Hsi- Liang Liu	Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3							
Governa nce Officer.	Liu	Liu	Liu	a	Taiwan Corporate Governance Association	The best tool for remote auditing in the post-epidemic era-big data auditing and risk intelligent dashboard	August 11, 2023	3				
		Securities and Futures Institute	2023 Annual Insider Trading Prevention Promotion Conference	October 20, 2023	3							
		Chinese National Association of Industry and Commerce	Company Directors and Supervisors Study—"2023 Taishin Net-Zero Power Summit Forum"	June 02, 2023	3							
Financial Executiv	Pei- Ching	-				-		1 61-	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit Forum	July 04, 2023	6
e	Tsai	Securities and Futures Institute	2023 Annual Insider Trading Prevention Promotion Conference	October 20, 2023	3							
		Securities and Futures Institute	2023 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	November 29, 2023	3							
Accounta nt Officer	Hu-Yao Lin	Accounting Research and Development Foundation	Continuing training courses for accounting supervisors of issuers, securities companies and stock exchanges	September 07, 2023 ~ September 08, 202	12							
Audit Supervis or	Pei-Chi Wang	The Institute of Internal Auditors-Chinese Taiwan	Policy analysis of "self-preparation of financial statements" and "sustainability reporting" and key discussions on internal audit and internal control practices	February 17, 2023	6							
		1 aiw aii	Production cycle practices and audit key points	September 19, 2023	6							

#### (4) Operation condition of Compensation Committee

1. Information of members of Compensation Committee

April 20, 2024

Position	Condition	The professional qualifications and experience of the Company's Compensation Committee.	The independence status of the Company's Compensation Committee	Number of companies where the person also acts as a member of Compensation Committee
Independent Director (Convener)	Ming-Jeng Weng	The Compensation Committee of the Company consists of all three independent	All members of the Compensation Committee meet the following conditions:  1. Comply with Article 14-6 of the Securities and Exchange Act promulgated by the Financial	0
Independent Director	Yen-Wei Cheng	directors. The professional	Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the	1
Independent Director	Hsiu-Chun Wang	qualifications and experience of the members, please refer to this annual report (1) Directors' names, shareholding, and education/experience background (P.18-20)	Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) Relevant regulations.  2. I (or in the name of others), my spouse and minor children do not hold shares in the company.  3. The amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	1

Note: There is no one of the following two years before the election and during the term of office:

- (1) Employees of the company or its affiliates.
- (2) Directors and supervisors of the company or its affiliates.
- (3) I and my spouse, minor children or natural person shareholders who hold more than 1% of the total issued shares of the company in the name of others or hold the top ten shares.
- (4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, of the managers listed in (1) or the persons listed in (2) and (3).
- (5) A director, supervisor or employee of a legal person shareholder who directly holds 5% or more of the total issued shares of the company, and who holds the top five shares or appoints a representative to serve as a director of the company in accordance with Article 27 of the Company Act.
- (6) A director, supervisor or employee of another company controlled by the same person with more than half of the directors' seats or voting shares of the company.
- (7) A director (director), supervisor (supervisor) or employee of another company or institution who is the same person or spouse as the company's chairman, general manager or equivalent.
- (8) Directors (councils), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.
- (9) Professionals, sole proprietorship, partnership, company or institution business owners who provide auditing or business, legal, financial, accounting and other related services for companies or affiliated companies with a cumulative amount of remuneration exceeding NT\$500,000 in the last two years, partners, directors (council), supervisors (supervisors), managers and their spouses. However, it is not limited to those who serve as members of the Company's Compensation Committee.

#### 2. Operation condition of Compensation Committee

- (1) There are three members in the Compensation Committee.
- (2)Tenure of members of committee: From July 1<sup>st</sup>, 2022 to June 22, 2025. The Compensation Committee had convened 3 times (A) from 2023 to April 20, 2024.

Attendance condition is shown as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%)(B/A)	Remarks
Convener	Ming-Jeng Weng	3	0	100%	
Commission Member	Yen-Wei Cheng	3	0	100%	
Commission Member	Hsiu-Chun Wang	3	0	100%	

Responsibilities of the Compensation Committee

- (1) Regularly review organization regulation and put forward corrective suggestions.
- (2) Plan and regularly review annual and long-term performance objective as well as policy, system, standard and structure of remuneration for directors and managers.
- (3) Regularly evaluate the realization condition of performance objective for directors and managers, and plan the content and amount for individual remuneration.

#### Others:

- 1. If the board of directors does not adopt or revise the opinions of the Compensation Committee, the date, stage, proposal contents, decision results of the board of directors, and company's processing to the opinions of the Compensation Committee (if the remuneration passed by the board of directors is better than the remuneration proposal made by the Compensation Committee) shall be described: None.
- 2. If any members do not agree with the decision of the Compensation Committee with record or written statement, the date, stage, proposal contents, opinions of all members and processing to opinions of the Compensation Committee shall be described:

Compensation Committee	Agenda	Resolution	The Company's handling of the opinions of the Compensation Committee
The 1 <sup>st</sup> meeting of the 5 <sup>th</sup>	Report the results of the performance evaluations to the Board of Directors	All the attending committee members agree to approve and submit a report to the board of directors	Proposal to the board of directors shall be agreed by all directors present
Compensation Committee March 8, 2023	2. Decide to pass the KPI bonus plan for senior managers in 2022.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
The 2 <sup>nd</sup> meeting of the 5 <sup>th</sup>	1. Decide to pass compensation distribution plan of Director for annual surplus in 2022.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
Compensation Committee July 6, 2023	2. Decide to pass the remuneration plan for senior managers.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
The 3 <sup>rd</sup> meeting of	Report the results of the performance evaluations to the Board of Directors	All the attending committee members agree to approve and submit a report to the board of directors	Proposal to the board of directors shall be agreed by all directors present
the 5 <sup>th</sup> Compensation Committee March 7, 2024	2. Proposed renaming of our company's 'Board Performance Evaluation Method' and draft amendments to certain articles	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present

(5) The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

•	Ź		Implementation Status		iations fr	
Assessment Item	Yes	no	Summary	Best Prac TWS	able Deve ctice Princ E/TPEx L ies'' and l	riples for isted
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes senior management to handle it, and the board of directors supervises the situation?			Following the company's corporate social responsibility policy and guidelines, the chairman's office has promoted the establishment of CSR committee which is responsible for dedicated CSR work in January 2016. The committee serves as a platform for cross-departmental communication with top and bottom integration and horizontal linkage. Through the annual meeting, identify sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work plans, and track the implementation results to ensure that CSR policies are fully implemented into the company's daily operation and management.  In order to implement the vision and mission of the ESG policy, a "Sustainable Development Committee" was established in the first quarter of 2023 as the highest level of decision making center for sustainable development within company. The Committee was led by Chairman, the CEO is the Vice Chairman, and the Vice President of Administration is designated as the Executive Secretary. Under the Sustainable Development Committee, the Corporate Governance Group, the Environmental Planning and Management Group, the Social Engagement Group, and the Customer Management Group are established to review the company's core operating capabilities with the senior executives of each business center and to formulate medium or long-term sustainable development plans.  The Sustainable Development Committee comprises a wide range of departments in the group, including factories and offices in Taiwan and the Chinese	There deviation	is no	

				Deviatio "Sustainable					
Assessment Item	Yes	no			Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons			
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?  (Note: The principle of materiality refers to those who have a significant impact on the company's investors and other stakeholders in relation to	<b>&gt;</b>		year. At the sandirectors on the actual situation, Law-abiding an Operation, Gree win Harmony, St. The risk assering key location is based on locations in 12. The Sustain principle of a internal and studies. It also measurement to reduce the	me time, in or enterprise's sur, formulates the deself-discipling Manufacturing Sustainable Development of the TPK's manufacturing Mainland Chine the TPK's manufacturiality and external stakes of establishes in the external stakes of the eassessed risk	nts annually and reports to the board at least once a reder to strengthen the supervision of the board of stainability-related work, the company combines the see Sustainable Development Management Policy of ned, People Oriented, Lean and Innovative, Steadying, Energy conservation and Emission reduction, All-velopment.  The company's sustainable development performance ry 2023 to December 2023. The assessment boundary tinland subsidiaries, including established operating a, Taiwan and other locations in Asian.  The committee conducts analysis based on the assesses materiality issues after communicating with eholders and reviewing national and international risk management policies for effective identification, conitoring and control, and takes specific action plans	There is deviation.	no	big	
environmental, social and corporate governance issues.)				Program					

				Deviations from "Sustainable Development		
Assessment Item	Yes	no		Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons		
			Environm	Energy	According to the energy policy of Resource Conservation, Green first, Law-abiding and Self-disciplined, Full Participation, Management Optimization, and Continuous Improvement, the company expected to achieve energy management, energy conservation, emission reduction, recycling resources through approaches including refining management, integrating resources, upgrading technology, and cultivating environmental RD and other technicial talents. The company implements PDCA management cycle of the ISO50001 Energy Management System, We establish an energy management system and formulate the TPK Energy Management Manual following ISO international standards. And achieve energy management results by setting energy targets to reduce energy consumption and reduce energy demand for products and services.  Since the establishment of the mainland's subsidiary companies have introduced ISO50001 energy management system and to maintain operations, of which, TPK Touch Solutions	

		Implementation Status				Deviations from "Sustainable Development
Assessment Item	Yes	no			Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons	
					(Xiamen) Inc., TPK Advanced Solutions Inc.,	
					TPK Glass Solutions (Xiamen) Inc. got ISO50001	
					management system certification in 2023.	
				Chemical	1. The company strictly abide by international	
				substance	standards such as The Restriction of Hazardous	
				managemen	Substances in Electrical and Electronic	
				t	Equipment Directive, RoHS, The EU Directive	
					on Packaging and Packaging Waste, and 23	
					Chinese national standards. To regulate and	
					manage the use of chemicals and hazardous	
					chemicals effectively in the company, we	
					formulated a series of internal management	
					regulations, such as the Chemical Dangerous	
					Goods Management Regulations, the Operation	
					Instruction for Chemical Storage & Distribution	
					& Requisition & Scrapping, the Volatile Organic	
					Compounds Group control Requirements, the	
					Ozone-depleting Substances Group Management	
					Program and the Environmental Substances	
					Management Standards, etc., which safeguard	
					the safe use of chemical and the manufacture of	
					more safe and reliable products adequately. The	

			Deviations from "Sustainable Development	
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons
			company regularly follows up on domestic and foreign trend of environmental protection, regulations, and standards, periodic reviews the compliance of chemical-related laws and regulations, and updates the internal norms. Actively respond to customers' chemical management requirements to ensure that the products conform customers' stricter requirements than laws and regulations.  2. The company collaborates with vendors of raw materials and process materials to set up an effective green industry chain as we could effectively control the components of sources, reducing the impact of product manufacturing on the environment. We set up an online hazardous chemicals management system and the central strategic procurement department should purchase chemical according to the requirements. Chemical can only be purchased after EHS check the Chinese chemical safety labels and SDS provided by vendors. The relevant qualifications (such as business license, production permit, operating permit, transport	

			Deviations from "Sustainable Development		
Assessment Item	Yes	no		Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons	
				qualification, road transport contract, etc.) are	
				required to be collected by the purchasing	
				department and uploaded to the chemical	
				management system for archiving, as that license	
				should be renewed regularly.	
			Waste	The company has established an environmental	
			Managemen	management system according to ISO	
			t	international standards, formulate the "Group	
				Environment, Occupational Health and Safety	
				Management Manual" and implement	
				environmental management in accordance with	
				the standards. In 2023, all the subsidiaries in the	
				mainland had completed annually certification of	
				ISO14001 management system.	
				The whole process of waste supervision was	
				controlled from source identification to disposal	
				by details. The e-system was established to ensure	
				the accuracy and efficiency of data statistics, and	
				the waste disposer audit was conducted annually	
				to ensure the related disposal operation is lawful.	
				According to the discharge status of each	
				company, the company actively carries out the	

		Implementation Status				Deviations from "Sustainable Development
Assessment Item	Yes no Summary				Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons	
				Responding to Climate Change	project of resource reuse and zero-landfill, effectively reducing waste generation and environmental pollution.  According to ISO14064, we conduct an annual inventory of the greenhouse gas emissions of each subsidiary, and develops and builds a group carbon inventory as a long-term operation carbon reduction target management tool. According to the results of the carbon inventory, it continues to implement carbon reduction measures and effectively reduce carbon emissions.	
			Social	Customer Relationshi p Managemen t	The company is committed to providing the best service and support to customer, and has developed the quality policy of "customeroriented, full participation, continuous improvement and customer satisfaction.  1. Customer-oriented: Forming a professional customer service team to respond to customer needs in time; the quality department ensures that we provide high-quality products and product quality stability; the manufacturing department continuously	

			Deviations from "Sustainable Development	
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			optimizes the production process and technology, improves production efficiency, understand customer's need and respond to inquiries in time, so that we can provide customized services.  2. Strengthen communication with customers: Establish an efficient and complete complaint mechanism for customer to ensure timely response and support. For example, we regularly visit customer, establish online and offline multi-channel customer communication and feedback mechanism; arrange on-site service personnel for major customers to collect feedback on the use of products in the first line.  3. Continuous Improvement: Use professional methods to analyze and improve customer complaint incidents to ensure that problems are effectively solved at the root; regularly conduct customer satisfaction survey, deeply analyze the reasons for any unsatisfactory case, and carry out targeted improvements.	

			Imple	ementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no		Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons	
			3.3Product Responsibil ity and Safety	<ol> <li>4. Protect customer privacy: Strictly comply with relevant laws and regulations to protect customers' business secrets and intellectual property rights.</li> <li>5. Fairness and Integrity: The company always treat customers with fairness and integrity to ensure that all transactions and communications are honest and transparent.</li> <li>The Company emphasizes product responsibility and safety and continues to implement product quality and safety management to address potential risks.</li> <li>Strengthen the quality control system to ensure that every step from raw material procurement to production, testing, packaging and transportation complies with international and domestic quality standards. Conduct regular internal quality audits and assessments to ensure effective implementation of quality control measures.</li> <li>Investing more resources in product research and development, especially in improving the</li> </ol>	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			safety and reliability of products, cooperating with academic and research organizations and introducing new technologies and materials to enhance the overall quality of products.  3. Establish standardized work regulations importing the Manufacturing Execution System (MES) and the SAP information management system to ensure the integrity of the production process can be monitored, and standardized production safety.  4. Establish an advanced quality assurance laboratory, which has been accredited by CNAS (China National Accreditation Service for Conformity Assessment) and certified by ISO17025, ISO10012 and ISTA. The laboratory is equipped with a professional testing and analysis service team and has built up a complete testing/analysis/calibration capability to provide reliability verification failure analysis, calibration of measuring equipment and chemical testing and analysis of hazardous substances for the company's	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			products, so as to ensure the provision of reliable and high-quality products to customers and end-users, and to enhance and stabilize the company's competitiveness.  5. Strictly selecting suppliers by evaluating their quality control capability and product safety.  6. Enhance employee quality awareness and safety training to ensure that each employee understands and complies with the company's quality standards and safety requirements.  7. Establish a risk identification mechanism to identify potential product quality problems and safety hazards in time, evaluate the identified risks, and formulate corresponding preventive and control measures.  8. Develop a product recall program and emergency response plan to ensure that prompt action can be taken to minimize losses in the event of a quality problem.  9. Establish a complete customer feedback mechanism, collect and handle customer's opinions or suggestions on product quality in time. Positively respond to customer	

			Deviations from "Sustainable Development							
Assessment Item	Yes	no		Summary						
			Governan	Innovative R&D and Managemen t	complaints and problems and take effective measures to solve them to improve customer satisfaction.  10. Encourage employees to provide improvement ideas and suggestions to continuously optimize product quality and production processes.  The company innovative R&D consists of two major parts, namely, touch-control industry and new business.  First, the Touch industry: as a leading enterprise in the Touch Screen industry, the Company has been continuously deepening the technological development of the industry and actively expanding application of new products at the	Companies" and Reasons				
					same time. From sports bracelets/watches to mobile phones/tablets, the company's products range from the largest whiteboards to business. In different application markets, provide flexible and diversified innovative products to serve various customers.					

			Deviations from "Sustainable Development				
Assessment Item	Yes	no		Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons		
				Secondly, the new business: in addition to the touch screen business, the company has been actively expanding new business products in recent years, most notably 3D printing products/laser radar products, and motion capture gloves/energy storage systems/lightweight energy vehicles, etc. In the process of developing these new business products, we have also been actively innovating and developing according to the requirements of new customers to ensure the gradual growth of our new business projects and customers' recognition.			
3. Environmental issues			(1)	The company stablished an appropriate environmental management system	There is no big		
(1) Has the company established an appropriate environmental management system according to its industrial characteristics?				according to the company's industrial characteristics. All factories and subsidiaries are implemented in accordance with the ISO14001 management system and continue to pass the verification of third-party manufacturers. Greenhouse gas inventory is carried out every year in accordance with ISO14064-1 specifications to track the effect of emission reduction. The relevant certifications are disclosed on the company's website.	deviation.		
(2) Is the company committed to improving energy efficiency and			(2)	To implement the theme of sustainable operation, the company continues to refine the production process and improve quality, and at the same time cooperate with management issues such as water saving, electricity saving,	deviation.		

		T.	Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
using recycled materials with low impact on the environment?			carbon reduction and emission reduction, to promote the sustainable development of the group, and fulfill the responsibility of the group to protect	
			the environment and protect the earth.	
			a) Promoting paperless e-operations, at present, the file management system	
			has been used to gradually comprehensively e-form standardized documents to reduce the amount of paper and reduce environmental pollution.	
			b) Implement energy conservation and effective reuse of resources. In 2023,	
			the amount of water saved through water-saving projects such as wastewater	
			reuse reached 736,000 tons, accounting for 30% of the total water consumption	
			for the year; the company will continue to formulate various water-saving	
			measures according to the actual situation, and is committed to reducing water	
			consumption and improving the recycling rate of waste water at the same time.	
			c) In 2023, the company saved 5,316,000 kWh of electricity, achieved annual	
			electricity consumption saving of 1.82%. Through measures such as energy	
			efficiency management and technological transformation, the efficiency of	
			renewable energy use will continue to improve year by year.	
			d) Since 2016, the company has continued to implement the plan for the	
			reduction of hazardous waste empty barrels and the secondary use of clean	
			cloths, realizing the recycling and reuse of the original empty barrels and the	
			reuse of clean cloths. Up to now, the amount of waste generated has been	
			reduced by approximately 651.89 tons.	
(3) Has the company assessed the	<b>\</b>		(3) Questionnaire of the CDP carbon disclosure project every year to disclose	
current and future potential risks			information on changes in the climate system and water security, mainly to show	deviation.

					I	mplementa	tion Status		Deviations from "Sustainable Development			
	Assessment Item	Yes	no		Summary							
	and opportunities of climate change to the company, and taken relevant countermeasures?			whether climand to drive to 2022, TPK assessment, a Force on Climanalysis, climin impact of control	e e e e e e e e e e e e e e e e e e e							
(4)	Has the company counted			the core eler governance, (4)	nents of TC strategy, rish	FD disclosuk manageme	are recomment, indicato	nt for the information in allusion to endations which were classified a ors, and objectives.	There is no big			
	greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste			1 standar of 42% of Among a Solutions	1. The company completes internal inspections in accordance with the ISO14064-1 standard in group, and regularly inspects the achievement of goals, as the target of 42% decrease of greenhouse gas emissions compared to 2022 until 2030. Among all subsidiaries, TPK Touch Solutions (Xiamen) Inc., and TPK Glass Solutions (Xiamen) Inc. had completed ISO14064-1 verification in 2023. GHG emissions in the last two years:							
	management?			year  2022 2023	Scope 1  12,190  8,234	Scope 3  294,255  177,489	Scope 3  34,082 427,567	Unit: tons of CO <sub>2</sub> e  Emissions per unit of turnover (tonsCO <sub>2</sub> e/NT\$1,000)  0.0032  0.0027				

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			<ul> <li>Note 1: Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride and others announced by the central competent authority.</li> <li>Note 2: Scope 1: Direct emissions, i.e. directly from emission sources owned or controlled by the company.</li> <li>Scope 2: Indirect energy emissions, that is, indirect greenhouse gas emissions from imported electricity, heat or steam.</li> <li>Scope 3: Other indirect emissions, that is, emissions from company activities that are not indirect emissions from energy sources but originate from emissions owned or controlled by other companies.</li> </ul>	
			Note 3: The boundaries in 2021 covered information include TPK Touch Solutions (Xiamen) Inc., TPK Auto Tech (Xiamen) Limited., TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK Touch Systems	
			(Xiamen) Inc., TPK Touch Solutions (Pingtan) Inc. TPK Glass Solutions (Xiamen) Inc.Jimei Branch, Amplifi Tech (Xiamen) Limited, TPK Material Solutions (Xiamen) Inc., Xiamen Jan Jia Optoelectronics.Co., Ltd., Trend	
			Technology (Xiamen) Inc., TPK Precision (Xiamen) Inc., TPK Touch Solutions Inc., TPK Universal Solutions Limited Taiwan Branch, Amplifi Technologies Inc. Taiwan Branch, DS Energy Technology Co., Ltd And the 2023 information	
			boundary increase covers: Stellar Energy Technology Inc In 2023, the combined GHG emissions of Scope 1 and Scope 2 were 185,723 tons of CO <sub>2</sub> e, and the emissions per unit of the product were 2.66 kg CO <sub>2</sub> e/NT	
			\$1,000. These emissions were mainly from the electricity of Scope 2, accounting for 95.57% of the total emissions among Scope1&Scope2.	

				Implementation	Status	Deviations from "Sustainable Development
Assessment Item	Yes	no		Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons		
			reduction tractook several took started generation to the started generation took started generation to the s	cking through the Sust measures to achieve the t the same time, we can each subsidiary, such control, etc. Among the e construction of the roca ating electricity in Janua tricity had been general of CO <sub>2</sub> e. TPK Advance nergy, and it is going to power plant in 2024 whe ving plan and water-use r-saving measures are for 2023, the water consur- vears.	trend of reduction, the company conducts ainable Development Committee, and we explicatives of saving energy and reducing ry out energy-saving and carbon reduction as FFU load shedding, air conditioning tem, TPK Glass Solutions (Xiamen) Inc. oftop photovoltaic power plant in 2022 and tary 2023, while an average of 21.5 million ared per year that reducing emissions by ted Solutions Inc. achieved 100% use of to set up the construction of the rooftop ich started to work after March. The equipment are monitored every year, and formulated according to the actual situation. The input of the reduced year by year for 8 ares (covering all factories and companies in the started to work after saving the actual situation.	
			year	Total water consumption (tons)	Water consumption per unit turnover (ton/ NT \$ thousand )	
			2022	3,726,702	0.04	
			2023	2,461,235	0.04	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons
			Note: The information boundary cover TPK Touch Solutions (Xiamen) Inc., TPK Auto Tech (Xiamen) Limited., TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc., TPK Glass Solutions (Xiamen) Inc. Jimei Branch, Amplifi Tech (Xiamen) Limited, TPK Material Solutions (Xiamen) Inc., Xiamen Jan Jia Optoelectronics.Co., Ltd., Trend Technology (Xiamen) Inc., TPK Precision (Xiamen) Inc., TPK Touch Solutions Inc., TPK Universal Solutions Limited Taiwan Branch, Amplifi Technologies Inc. Taiwan Branch, DS Energy Technology Co., Ltd., Stellar Energy Technology Inc.  From 2022 to 2023, we have achieved a 34% decrease in total water consumption by continuing to promote the water conservation project. In the future, it will continue to use water resources management and water-saving technologies to generate water-saving benefits.  2. Waste management: The company is committed to environmental protection. The whole process of waste supervision was controlled from source identification to disposal by details. To ensure the accuracy and efficiency of data statistics, the e-system was established to manage all of the information from input to output and did the disposer audit annually. Based on high standards of waste management, the company obtained the highest level of UL zero landfill platinum certification (waste conversion rate reached 100%) in waste management in 2018.  Waste output in the last 2 years:  Unit: tons	

		Implementation Status								viations f able Dev	rom elopment
Assessment Item	Yes	no	Summary						Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons		
				year	Hazardous waste	general waste	unit turnover output (tons/NT \$1,000)				
				2022	355.09	7,748.37	0.0001				
			T Sc Sc M T Sc T	PK Auto Tech olutions (Xiam olutions (Xiam Interial Solutions (Yiam Interial Solutions Inc., 1997)	(Xiamen) Liminen) Inc., TPK en) Inc.Jimei Hens (Xiamen) Ingy (Xiamen) Ingy (Xiamen) Inger TPK Universanc. Taiwan Bra	ted., TPK Advantage. Touch Systems Branch, Amplificher, Xiamen Jante., TPK Precision Solutions Lim	0.0001 ouch Solutions (Xiamen nced Solutions Inc., TPK (Xiamen) Inc., TPK Tech (Xiamen) Limited Jia Optoelectronics.Co. on (Xiamen) Inc., TPK ited Taiwan Branch, A Technology Co., Ltd., S	Glass, TPK, Ltd., Touch			
4. Social Issues				· ·	_		cation, respect and support				
(1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?			D G O ri W T M	Declaration of Induiding Principal Deffice (ILO) Confights policies in website of the confight Company Induiting Management Manageme	Human Rights, les on Busines are Labor Stand accordance wi ompany. nas formulated anual, Employe p Anti-Discrin	the UN Global as and Human R dards etc. and for th their guiding p the Group's Co ee Handbook, Gr	rentions such as the Unit Compact Principles, the International rmulate the Company's harmoniciples and post them corporate Social Responsivoup Recruitment Management Measures, Group Sexual Harassment Previous Compact Previous P	Labornuman on the ibility ement	deviatio		no big

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			and relative Complaints and Punishments Measures, Group Prevention of Child Labor and Young Workers Management Measures, and Employee Complaints Management Measures, and initiated the publicity of these policies and internal management to ensure the implementation of the human rights policies. The Group also ensures the effective implementation of its human rights policies through internal management. In addition, the Group has also formulated the "Handbook on Social Responsibility Standards for Suppliers ", which requires cooperative suppliers to comply with consistent human rights policy requirements.  The Company conducts internal CSR audit, employee interviews and regular employee seminars every year, and provides multiple complaint channels (such as WeChat, e-mail, telephone, and suggestion box), which are managed by specialized personnel who follow up on all feedback from employees to identify and assess potential human rights risks and protect human rights. Since the establishment of the company, no incidents related to human rights violations have been found and the human rights risk is low.  The human rights management policies and specific programs are summarized below:  Policy Implementation  Privacy 1. Enhance security measures in the collection, processing and management of employees' personal data.	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			a) Electronic data protection: watermarking and encrypting documents, controlling access to e-mail, controlling access to staff database systems, sending only authorized information, etc.  b) Protection of paper documents: establishment of an independent personnel data archive managed by full-time staff, access to personal data only upon request and approval, etc.  2. Emphasize information security risk control and protection, and follow the international information security management policy to carry out internal management.  a) Improvement of information security system: establish a complete information security management system. In order to cope with continuous and complex network threats and attacks, we introduce endpoint protection, vulnerability scanning service mechanism, important data tampering prevention mechanism and other protective measures, and the implementation of regional threat monitoring security management, to prevent, mitigate, and avoid the occurrence of information security incidents.  b) Strengthening security promotion: establishing a dedicated information security website, promoting information security website, promoting information security in a comprehensive and in-depth manner from time to time by means of emails, WeCat,	

			Implementation	n Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Sur	nmary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			Anti- discrimination and anti- harassment  1. All emplo rights regu the Grot Measures, Manageme Preventive Punishmen the Compa and read; 2. Every new training or of joining. 3. Provide a communic telephone, employees And mana up on all timely an complaina 4. The compa	yees are required to comply with human plations such as the Employee Handbook, up Anti-Discrimination Management the Group Anti-Harassment and Abuse ent Measures, and the Sexual Harassment end and relative Complaints and ints Measures, etc., which are posted on any's intranet for all employees to access we employee are required to complete in human rights-related policies on the day. Ill employee with multiple and smooth eation channels, such as WeChat, e-mail, and suggestion box, etc., so that is can put forward their compliant in time. It is ged by specialized personnel who follow feedback from employees and provide and effective feedback to ensure that ents are protected from retaliation. In any has set up a psychological counseling provide employees with psychological	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			Prevention of child and young worker  1. Formulating the Management Measures for the Prevention of child and young worker, regulating recruitment activities and protecting the legitimate rights and interests of child and young worker.  2. Prevention of child worker  a) Require the Company and the labor agency that provide manpower to the Company to refrain from using or supporting the use of child worker (child labor is defined as being under the age of 16).  b) At the interview stage, the identity information of candidates is strictly checked by ID card recognizer and manually, and if it is not the applicant himself/herself or if he/she is under 16 years old, the system will alert; and the age of the employees will be checked regularly.  c) Child Labor Remedies: Once child worker is detected, employment will be stopped immediately and a health check will be arranged to ensure that the child worker is in good health. We will also provide appropriate financial assistance and other resources to ensure that the child worker complete his/her mandatory education. Simultaneously analyze the reason for mistakenly recruiting child worker and take effective measures to eliminate similar incidents.  3. Prevention of young worker  a) If young worker are recruited, the company should strictly complies with the "Regulations"	

			I	mplementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no		Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			Prohibition of forced labor and working hour management	on Special Protection for Young Worker" and carries out job placement and supervision in accordance with it.  b) Young workers' working hours are arranged in accordance with the regulations: they are not allowed to work overtime, night shifts, or to engage in hazardous positions.  1. Formulate the Group's Corporate Social Responsibility Code of Conduct and Employee Handbook to protect the labor rights and interests of colleagues.  2. Formulate working hour management measure and set up an attendance and overtime reporting system. Overtime work can only be arranged with the consent of employees to protect their working hour and rights.  3. Signing compliant labor contract. Terminating employment is voluntary in compliance with the regulations.  4. The company has set up a psychological counseling hotline to provide employees with psychological counseling services.	
			Freedom of Association	<ol> <li>Formulate the Group's Corporate Social Responsibility Code of Conduct, and support and emphasize employees' freedom of assembly and association.</li> <li>Understand employees' religious and the requests for religious practices needs on the day of orientation.</li> </ol>	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			3. Respect employees' rights to freedom of associat and collective bargaining without interferent discrimination, reprisal or harassment.  Providing safe and healthy working environment.  2. We identify hazard sources regularly, moniexposure risks and the work environment independently, and minimize safety risks through e-systems and modern tools, making every effor ensure the safety of employees and other relaparties.  3. Provide free qualified PPE for employees a conduct regular inspections to ensure effectiveness of protection, and set up heamonitoring to ensure that pre-work, on-duty, a off-duty physical examinations are 100% completed implementation of supplier human rights policy  1. Promote TPK's human rights policy to supplier and require the signing of the Supplier's Social Responsibility and Ethics Commitment.  2. The company examines, identifies and assess human rights risks through CSR self-assessing questionnaires and audits, and requires suppliers implement human rights protection measures	tor ent ligh t to ted  und the elth und ete. ers ers eial sees ent
(2) Does the company formulate and implement reasonable employee		1	(2) TPK have established employee codes, salary and performance incentive power which clearly regulate remuneration, reward and punishment standards	There is no big deviation.
welfare measures (including remuneration, vacation and other			also assess the company's operating conditions continuously and promarket-compatible remuneration levels in line with social responsibility.	ovide

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
benefits, etc.), and appropriately reflect business performance or results in employee compensation?	Yes	no	Employees are paid according to their positions, work experience, education and skills, and in accordance with company's internal payroll policy. We conduct annual market salary surveys and adjust salaries according to market salary levels, economic trends and individual performance in order to maintain overall salary competitiveness.  Employee Welfare:  a) Legally mandated benefits: legal benefits, social insurance and retirement policies are provided in accordance with the laws of the employee's location.  b) Paid vacation: vacation days are provided to all workers as legally entitled for work-life balance, such as statutory annual leave, marriage leave, mourning leave, prenatal check-up, maternity leave, paternity leave, lactation leave, parental leave, etc.  c) Monetary gifts: provide monetary gifts on employee's birthday, wedding and childbirth etc.  d) Bonus and allowance: according to different grades/position, employees can enjoy various bonuses and allowances, such as: night duty allowance, high temperature allowance, post and environmental allowance, travel allowance, telephone allowance etc. And the year-end bonus will be issued according to	TWSE/TPEx Listed Companies" and Reasons
			the company's annual operation and individual performance evaluation. In addition, to motivate and retain employees by providing special incentives to employees with excellent performance according to the company's operation.  e) Health and protection: in order to prevent various health risks, we provide	

		1	Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			commercial insurance to supplement the protection for employees. In addition,	
			regular welfare health checkups are arranged for employees, and a medical	
			office is set up to provide basic medical care, as well as a psychological	
			counseling hotline to provide consultation and counseling to address physical and mental health issues.	
			Diversity and equality:	
			We offer equal pay for equal work and equal opportunity for advancement.	
			According to the company's 2023 employee data, the average proportion of	
			female employees was 40%, and the average proportion of female supervisors	
			was 24%. We promote an equal employment environment, for example, by	
			establishing a health center to provide employment platforms for blind	
			masseurs.	
			Business performance reflects employee remuneration:	
			Base on the company's annual operating conditions and the performance of	
			departments and employees, we will evaluate year-end bonus and operating	
			performance bonuses, which are paid to employees after accounting in	
			accordance with internal regulations to encourage employees to grow with	
			company and strive for success.	
(3) Does the company provide	<b>V</b>		3) Occupational health and safety policies:	There is no big
employees with a safe and healthy			The company believes that employees who are physically and mentally healthy	deviation.
working environment, and			can create high-efficiency and high-quality work performance. In accordance	
conduct regular safety and health			with the international occupational health and safety management system and	
education for employees?			local regulations, the company formulates occupational safety and health	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
			policies to promote the health and safety management and create the best working environment for all employees. All subsidiaries have obtained ISO45001 occupational safety and health management system verification certification.  In terms of physical health, the company has a gym, regularly holds employee health checks, and holds outdoor activities from time to time to relieve the pressure of working on weekdays; in terms of work safety, the company has trained employees to respond to emergencies through continuous education, training and publicity. Ability and safety concept, strengthen employees' cognitive ability, establish a work-related injury prevention and tracking system, and create a safe working environment, in order to reduce the probability of accidents in the working environment and reduce the adverse impact on company assets and employee safety.  Labor working environment:  In order to ensure the health and safety of employees and provide a comfortable working environment for employees, for positions with environmental hazards, the current situation of the workplace is evaluated every three years, and third-party manufacturers are entrusted to conduct environmental inspections on the workplace every year, and monthly sampling for internal testing.  And formulate the "Environmental Safety and Health Hazard Identification and Risk Assessment and Control Program" to identify the hazard factors in the potential working environment for medium and high risks, and formulate	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons
			Occupational Health Management Regulations and Occupational Disease Protection Supplies Management Regulations, compliantly manage occupational hazard positions, and complete pre-job, on-the-job and off-the-job physical examinations for those personnel in occupational hazards position; E-way system monitors the maintenance and management of occupational hazard positions and defines the requirement of personal protective equipment (PPE). Accident Potential Hazard Assessment:  In order to reduce the potential safety hazards on the worksite, we strengthen the standardized management of health, environmental protection and safety work in each factory. The EHS Department has implemented preventive measures, inspections and audits in accordance with the Accident Hazard Investigation, Management and Reporting Management Regulations and relevant management standards, and implement projects and continue to improve to establish a safe production environment.  Device Security Management:  Prevention is the first priority, and the machine acceptance card control is carried out in the early stage of the equipment entering the factory to ensure the safety acceptance of the machine and reduce the incidence of safety accidents from the source. Through risk identification/assessment, EHS department conducts quantitative or qualitative risk analysis of the plant's operating equipment, so as to formulate and implement safety countermeasures.  Fire safety management:	

			Deviations from "Sustainable Development	
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons
			For the past 3 years (2021-2023), TPK has been improving the company's safety management level and reducing the accident rate through the implementation of listed locks, JHA risk assessment, electrical safety projects. There were 10 work accidents in 2023, with a work injury rate of 0.06 per 1,000 workers. In 2024, TPK will continue to prevent accidents through the implementation of related projects, such as machine safety, electrical equipment safety projects, and chemical management projects. A total of 11 fire alarms occurred in 2023, but no open fires, property damage, or casualties were produced. To avoid fire smoke and other incidents, the user department should complete quarterly IR tests while EHS should finish sample tests. And develop IR Training, Assessment, Certificate Regulation to ensure the professional inspection skills of the inspectors. At the same time, to improve the timeliness, comprehensiveness, and risk identification ability of detection, it is proposed to establish an IR testing information management system to realize the functions of testing information uploading and catalog, temperature (Rise) abnormal alert, missing system tracking improvement, IR testing is carried out according to the corresponding propotion, testing staff training and review alert. An electrical safety audit team should be established by the professional personnel of each department, and an electrical cross-audit should be conducted within the company once every six months, to investigate hidden dangers in time and reduce the risk of electrical fire, protect the safety of company employees and property. To confirm and remove combustibles one	

			Implementation Status	Deviations from "Sustainable Development
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
(4) Does the company establish an effective career development training program for employees?	<b>&gt;</b>		by one in the area of the distribution panel, we set up related accounts, post labels, and manage IR test records.  Staff education and training:  Through various safety education training and publicity to enhance employees' safety awareness. From 2021, we have opened the online course of Level 3 safety education and combine online and offline to realize the training for all employees, and complete the initial training of Level 3 safety education for 8,933 people and retraining for 10,588 people in 2023.  (4) The company provides employees with a platform for continuous development and diversified learning programs. We have established dual-channel development paths for professional and management to realize career development interoperability, help employees achieve their goals at different stages of development, and encourage them to grow and develop with the company in the long run. TPK Group has deepened and accumulated its own talent cultivation framework, and has established general competency, professional competency, and management competency learning systems to provide employees in different positions and at different levels with the necessary courses for growth and a platform for learning and exchange. We also encourage employees to improve their skills and enhance their competitiveness through personal learning and on-the-job practice in various aspects and in multiple dimensions. 278,908 participants (excluding newcomers) attended various face-to-face training courses in 2023, with a	There is no big deviation.

				Deviations from "Sustainable Development	
	Assessment Item		no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
				cumulative total of 199,029 hours of learning. A total of 76,796 people have	
				completed various online training courses, totaling 82,757 learning hours.	
(5)	Regarding issues such as	<b>V</b>		(5) Our products and services are marketed and labeled in accordance with relevant	There is no big
	customer health and safety,			laws and regulations. For raw materials and products required for production,	deviation.
	customer privacy, marketing and			we have established the "Green Product Management Program" to identify and	
	labelling of products and services,			test harmful substances or restricted substances and ensure the use of qualified	
	does the company follow relevant			materials to meet regulatory and customer requirements.	
	laws and international standards,			In order to properly protect and manage the business secrets of our affiliates,	
	and formulate relevant policies			we have established a secure and compliant business secrets system based on	
	and complaint procedures for the			the "Business Secrets Protection Management Regulations", combined with the	
	protection of consumers or			"Information Security Management Regulations", "System Security	
	customers ' rights and interests?			Management Regulations", "Compliance and Education Management	
				Regulations", and through system and document encryption technology, to	
				ensure the security and control of personnel information, products, facilities	
				and logistics, and to protect the rights and interests of TPK and customers.	
				Our company has set up a customer service department to provide complete	
				technical service and after-sales service tracking, evaluation, review and	
				improvement for different customers' needs, and to deal with customers'	
				problems immediately.	
(6)	Has the company formulated a	<b>V</b>		(6) The "TPK Supplier CSR Code of Conduct" specifies the qualification assessment	There is no big
	supplier management policy,			conditions for the cooperation of suppliers in CSR such as environmental	deviation.
	requiring suppliers to follow			protection, occupational safety and health or labor human rights. And it	
	relevant norms on issues such as				

			Deviations from "Sustainable Development	
Assessment Item	Yes	no	Summary	Best Practice Principles for TWSE/TPEx Listed Companies'' and Reasons
environmental protection, occupational safety and health, or labor rights, and their implementation?			communicates our requirements and expectations for suppliers in the areas of business ethics, employment, environmental and employee safety practices.  Suppliers need to sign the "Supplier CSR and Ethics Commitment" and other relevant contracts before cooperation, in order to urge suppliers to follow our business goals of sustainable management, environmental protection and energy conservation, integrity and social responsibility.  In addition, suppliers are included in our CSR management and are regularly assessed through self-questionnaire, online audits or on-site audits to encourage	
5. Does the company refer to the internationally accepted report preparation standards or guidelines to prepare reports such as Sustainability reports that disclose non-financial information of the company? Has the previous disclosure report obtained the assurance or			suppliers to actively cooperate with us to improve CSR management.  The company compiles "2023 TPK sustainability report" in accordance with the four major standards of GRI Standards, SASB Sustainability Accounting Standards, TCFD Climate-Related Financial Disclosures, and the Sustainability Indicators for Listed Companies - Optical Industry. The report was verified by the AA1000 Type I Moderate Guarantee (refer to ISAE3000 limited assurance), and the report is published on the company website (https://www.tpk.com/).	deviation.
assurance opinion of the third- party verification unit?				

<sup>6.</sup> If the company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" please describe any discrepancy between the Principles and their implementation:

		Implementation Status					
Assessment Item	Yes	no		Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons			

TPK's sustainable development responsibilities all operate in accordance with the relevant codes, and there is no difference.

- 7. Other important information helpful to understand the implementation of the promotion of sustainable development:
- 1. Xiamen subsidiary continues to cooperate with Xiamen University of Technology, Xiamen University Tan Kah Kee College, The Open University of China and other colleges, to promote the integration of industry and education and school-enterprise cooperation while cultivating composite talents.
- 2. To fulfill our social responsibility, Xiamen subsidiary provide employment opportunities for the blind and recruits 47 blind masseurs.
- 3. Play social responsibilities and actively participate in various social activities. On September 9 every year, the company will jointly hold a blood donation charity event with the Xiamen City Center Blood Donation Station. Over the past six years, we have organized more than 1,750 blood donations, with a total blood donation volume of more than 460,000 ml. In 2023, TPK employees donated a total of 67,660 ml of blood and were awarded the honorary title of "TPK Group Blood Donor Hero" for five consecutive years of participation in TPK blood donation! Through the annual blood donation activity, we encourage our colleagues to promote the traditional virtue of mutual help.
- 4. Since 2018, the company has been regularly donating food and oil to the socially disadvantaged groups every year and conducting condolence activities. In 2023, the Company worked together with Fule's Home to conduct the "Send Fortune, Send Joy Walk with Love" public welfare activity, donated a total of 788 kilograms of grain and oil to Haicang Fule's Home trainees and disabled persons of Songyu Aid Center. At the same time, the company also conducted the "Book Delivery Energy, Continuing Sailing for Dreams" picture book donation and "Green Energy, Worthy of Expectation" green plant micro landscape DIY pot planting activities, bringing energy care to special group.
- 5. In order to protect the physical and mental health of the company's female employees, the company holds health knowledge lectures time to time and set up a breastfeeding room to create a convenient and hygienic breastfeeding environment.
- 6. TPK regards "healthy TPK, healthy employees" as the goal of sustainable operation, provides comprehensive protection for employees. The company offers free yoga classes, and a series activities of TPK health year, and conduct TBA basketball game, sport meets to guide employees to pay attention to their own health and promote the awareness of team assistance.
- 7. To promote the company's "people-oriented" corporate culture, and in order to allow employees and their families to deeply experience the warmth and care of TPK family, and to enhance the sense of belonging, we organize timely and appropriate employee activities, such as the online competition of occupational disease protection knowledge, Mid-Autumn Festival Pok Cake, Parent-Child Carnival, paper flower handmade activities, and rice dumpling

		Implementation Status					
Assessment Item			Best Practice Principles for				
	Yes	Yes no	Summary	TWSE/TPEx Listed			
			·	Companies" and Reasons			

wrapping activities. These activities attracted the active participation of many colleagues and enriched their spare-time life while providing a platform for interaction and communication to further enhance team cohesion.

- 8. In order to express the company's care and concern for employees in difficulty, we will give condolences to the Group's employees in difficulty by means of family condolences and seminars, and present condolences and money to them on the occasion of the 2024 Spring Festival. And provide emergency assistance to employees whose families are in distress due to major diseases or accidents.
- 9. We attach great importance to environmental protection. It has implemented garbage classification and no disposable tableware in the staff restaurant, and promoted the awareness of caring for the factory area and protecting the environment to employees.
- 10. Cooperate with the local police station to set up a police office next to the gate of Xiamen subsidiary cooperates to ensure the public security and safety around the company, reduce emergency security incidents, and maintain the personal safety of employees.
- 11. Public welfare sponsor director Mai Jue-Ming filmed the documentary "Good Morni MIT" on Taiwan's endemic species the Salamanders. It took 17 years to record in words and images the real heroes of Taiwan's mountains and forests who have been running on the top of mountains and on the water for many years: researchers of the Salamanders., turning their lonely figures who have been in the mountains and rivers for many years into words and images with rich colors and passionate life, so that recorders of different generations who come and go in the same mountains and forests can see the hard work of their predecessors. The company also held screenings and symposiums, and invited director Mai Jue-Ming to the scene to share shooting ideas with everyone, and to promote the importance of conservation of Taiwan's endemic species, the Salamanders, through high-quality art films.

# (6) Climate-Related Information of TWSE/TPEx Listed Company:

1. Implementation of Climate-Related Information

_	1	
	Item	Implementation status
	1. Describe Board and management oversight and governance of climate-	1. Given the risks and opportunities related to climate change, which will affect the company's business strategy and Financial Operation Planning, TPK refers to the TCFD framework and
	related risks and opportunities.	simultaneously uses the tools provided by TCCIP (climate change integration service platform) as

- 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances (in the short, medium, and long term).
- 3. Describe the financial impact of extreme weather events and transformation actions.
- 4. Explain how climate risk identification, assessment, and management processes are integrated into the overall risk management system.
- 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.
- 6. If there is a transition project to manage climate-related risks, describe the content of the project and the indicators and objectives used to identify and manage the physical risks and transition risks.

the reference for the assessment of climate change entity risk scenarios, and finally determine the issues.

After analyzing the low, medium, and high risks, the risks of climate change are integrated with the company's other risks. The necessary mitigation measures would be applied according to the level of risk which should be reported to the board regularly.

#### 2. Risks:

The Greenhouse Gas Reduction and Management Act was updated to the Climate Change Adaptation Act, and national carbon neutrality is expected to be achieved by 2060. Given the possibility that this risk will increase operating costs in the future, TPK will not only carry out a comprehensive greenhouse gas inventory in the short term but also purchase green certificates, promote photovoltaic power generation, purchase biomass energy, etc. We will keep eyes on the new situation of the ordinance, confirm the compliance of the company's status with the ordinance, formulate measures to meet the requirements of the ordinance and set carbon reduction targets. In addition, to cope with the market risk of rising electricity costs, the project will incorporate the concept of reducing climate change and environmental impact into the design of green and smart buildings, adopt energy-saving and carbon-reducing equipment in the process, and improve the efficiency of process electricity use, taking into account environmental protection and customer demand.

Opportunities: considering the possibility of gradually increasing electricity prices in the future, TPK has commissioned a professional company to carry out the assessment, design, and install solar panels from 2022 and commissioned from 2023 and will continue to do so thereafter.

- 3. The increased frequency of heavy rains and floods may cause production disruption and affect shipments.
- 4. TPK discusses and identifies climate change risks and opportunities through the Council for Sustainable Development, leading to a framework for the TCFD recommendations, the transformation risk (policy and regulation, technology, market, reputation), entity risk (immediate risk, long-term risk) and opportunity (resource efficiency, energy source, product/service, market, and resilience) are discussed and identified.
- 5. Use the 2DS/RCP2.6 scenario as the scenario of the company's climate change entity risk. Describe the theme of risks and opportunities of climate change according to this scenario. Finally, identify

- 7. If internal carbon pricing is used as a planning tool, the basis for pricing should be explained.
- 8. If a climate-related target is set, it should provide information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress achieved; if carbon offsets or renewable energy certificates (RECs) are used to achieve the target, the source and quantity of carbon credits offset or the number of renewable energy certificates (RECs) shall be stated.
- 9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).

- the climate risks and opportunities related to the company's business scope, taking a decade-period of the long-term development, and defining the short-term as 1-3 years and the medium-term as 3-5 years, the long-term as 6-10 years.
- 6. TPK further sets targets based on the TCFD climate risk and Opportunity Indicator Project:
  - (1) Energy saving: The goal is to save 4.2% of electricity every year.
  - (2) To promote greenhouse gas emission inventory by ISO14064 system in short order and complete the self-inventory report.
  - (3) Reduction of greenhouse gas emissions: 42% carbon reduction of Scope 1 and Scope 2 in 2030 compared to 2022 and carbon neutrality by 2060.
  - (4) Increase the number of solar panels installed at one additional site per year.
- 7. Not applicable.
- 8. Compared to 2022, emissions of Scope 1 and Scope 2 would decrease 42% by 2030.
- 9. TPK has been gradually importing ISO 14064 since 2011 to ensure the greenhouse gas emissions of the operating plant, and the new system was imported in 2021. In 2021-2022 respectively, TPK Touch Solutions (Xiamen) Inc., and TPK Glass Solutions (Xiamen) Inc.Jimei Branch disclosed emission information through external verification, and all subsidiaries plan to complete the 3<sup>rd</sup> party's interrogation and verification by 2029.

For more information, please refer to TPK's Sustainability Report.

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

### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Since 2021, TPK has introduced the new ISO14064 system, completed Scope 3 greenhouse gas inventory and disclosure, and successively expanded inventory projects by the enterprise value chain standards published by the GHG protocol. According to the current implementation status and the significance screening principle of the new ISO 14064 standard, other indirect emission sources were included in the calculation range of 2023. After two years of gradual improvement in 2022 and 2023, a total of 9 categories had been added to Scope 3: Greenhouse gas emissions from upstream and downstream transportation, employee commuting, business travel, procurement of goods statistics,

waste disposal, organization of emissions from purchased services, product use stage and procuct disposal, etc. Among them, business trip, business travel, the treatment of general solid waste and domestic waste, organization of emissions from purchased services, product use stage and procuct disposal are new inventory items for 2023. Therefore, the total emissions of TPK Scope3 in 2023 increased significantly to 427,567 tCO<sub>2</sub>e. Digitalization is a key element of our transformation, and we deployed a carbon management database in 2022, it will give substantial proof to decision-making at all levels. Scientific and systematically manage carbon emission data, collection, and statistics of greenhouse gas emissions of the companies, and as a long-term management means to promote carbon emission reduction. To realize automatic and real-time updates of the system, ensure the accuracy of the data, and optimize the existing management mode. Archive data over the years to make historical data and information traceable. As a measure for long-term management and reduction of carbon emissions, we developed a digital system platform in 2023, which was put into use officially in June 2023. The platform realizes systematic and digital management, automatically captures various types of emissions, and generates reports and charts to display on the website for internal and external departments to consult intuitively.

Direct emission (Scope 1) 12,190tCO<sub>2</sub>e

Indirect energy emissions (Scope 2) 294,255 tCO<sub>2</sub>e

Other indirect emissions (Scope 3) 34,082 tCO<sub>2</sub>e, with intensity of 3.2tCO<sub>2</sub>e per million NDT in turnover In 2023:

Direct emission (Scope 1) 8,234tCO<sub>2</sub>e

Indirect energy emissions (Scope 2) 177,489 tCO<sub>2</sub>e

Other indirect emissions (Scope 3) 427,567 tCO<sub>2</sub>e, with intensity of 2.7 tCO<sub>2</sub>e per million NDT in turnover

#### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Not applicable.

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Not applicable.

(7) Implementation of Ethical Corporate Management and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons:

1 W3L/015W Listed Companies and Reaso			Implementation Status	Deviations from "Ethical
Assessment Item	Yes	No	Summary	Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
<ol> <li>Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</li> <li>Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</li> <li>Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</li> </ol>	> >		<ol> <li>The company has formulated the Ethical Corporate Management Best Practice Principles which has been supported and approved by the board of directors. The management of the company advocates its business philosophy that the company attaches importance to and implements integrity through group conferences or emails at irregular intervals.</li> <li>In order to implement the Ethical Corporate Management Best Practice Principles, the company has formulated the Ethical Management Standard Operating Procedure and Behavior Guidelines to detailedly stipulate the matters to be noted by the company's personnel when carrying out business. The contents of the Ethical Corporate Management Best Practice Principles and the Ethical Management Standard Operating Procedure and Behavior Guidelines include but are not limited to the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.  Under the guidance of the above two superordinate guidelines, there are relevant Standard Operating</li> </ol>	There is no big deviation.  There is no big deviation.

			Implementation Status	Deviations from "Ethical
				Corporate Management
Assessment Item	Voc	No	Summary	Best Practice Principles
	165	110	Summary	For TWSE/GTSM Listed
				Companies" and Reasons
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	•		Procedures (SOPs) for business activities with high risk of dishonest behavior implemented, such as the Agreement on Protection of Trade Secrets, Intellectual Property Rights and Non Competition; the Regulation on Company Personnel Behaviors of Honesty-Trust of TPK Holding Co., Ltd (hereinafter referred to as TPK); TPK Group Supplier Integrity Behavior Management Measures; the Supplier Honesty and Integrity Commitment Letter; and the Business Entertainment Expenses Application Standard Operating Procedure.  The company actively promotes the construction of a culture of integrity: the Chairman's office regularly promotes culture through integrity posters, computer screen savers featuring integrity topics, and organizes various employee activities, such as visiting anticorruption and integrity education bases, holding seminars on staying away from occupational crimes, integrity culture certification exam, and clean-lamp riddle guessing activities.  (3) For internal employees, the company's Employee Handbook and various procedure books have provisions on punishment for violation of regulations, and a perfect and transparent complaint channel has been set up in the process of punishment, so as not to indulge any internal employees. For external partners	There is no big deviation.

Assessment Item			Implementation Status	Deviations from "Ethical
		No	Summary	Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
			including but not limited to all suppliers and clients, a channel for reporting violations of integrity is set up and disclosed on the company's website.  The authority and responsible unit shall revise relevant systems according to the amendment of laws and regulations or the practical operation needs of the company at irregular intervals every year.	
<ol> <li>Ethic Management Practice         <ul> <li>Whether the company has assessed the ethics records of which it has business relationship with and includes business conduct and ethics related clauses in the business contracts?</li> </ul> </li> <li>Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent</li> </ol>	<b>&gt;</b>		(1) The company has formulated the Ethical Management Standard Operating Procedure and Behavior Guidelines, TPK Group Supplier Integrity Behavior Management Measures and the Supplier Honesty and Integrity Commitment Letter. The company has clearly stipulated that all suppliers shall sign and abide by them. For suppliers, gift money, kickback and transactions with related parties are all prohibited. In case of any violation, the contact with the suppliers shall be cut off, in order to achieve the most reasonable offer, the best quality and the best service.  (2) 1. The Human Resources Department of the company handles the revision, implementation and interpretation of corporate integrity management policies and related procedures, and is committed to promoting the improvement of the corporate integrity system.	There is no big deviation.

Assessment Item			Implementation Status	Deviations from "Ethical
		No	Summary	Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
unethical conduct and monitor its implementation?			The internal auditors of the company conduct inspections and evaluate the implementation effects in accordance with relevant regulations, and report the inspection results to the audit committee and the board of directors at least quarterly. In addition, the Audit Office accepts reports, investigations and handling of dishonest behaviors by the company's internal personnel.  2. Company has implemented the integrity management strategy, and the relevant implementation situation in 2023 is as follows:  A. Regulatory promotion  The Chairman's Office promotes the promotion and education of all colleagues, and in 2023, the theme will be "Stay Away from Duty Crimes and Build Integrity in TPK", Through videos and case studies, promote the precautions that colleagues should pay when performing business.  B. Annual Quiz  Every year, an online test is conducted for all colleagues, covering the scope of integrity management rules, integrity management operating procedures, and behavior guidelines. The key focus of the 2023 test is to conduct business activities with integrity, prohibit	

			Implementation Status	Deviations from "Ethical
Assessment Item				Corporate Management Best Practice Principles
	Yes	No	Summary	For TWSE/GTSM Listed
				Companies" and Reasons
			dishonest behavior, protect the company's intellectual property rights, and protect the company's business secrets.  C. Regular inspections  Conduct corruption related investigations on the operational activities of all operational sites, The risk assessment of the matter is conducted through periodic self inspection by the business management unit and annual self evaluation in accordance with laws and regulations, To achieve effective control and implementation, and to be independently audited by the auditing unit to ensure the operation of the overall mechanism, jointly manage and prevent the occurrence of dishonest behavior. We have incorporated honest business practices into employee performance evaluations and human resources policies, and establish clear and effective disciplinary systems. There were no major corruption incidents or anti competitive behaviors in 2023.  D. The whistleblower system and the protection of whistleblowers  According to the "Code of Practice for Corporate Governance" and "Code of Conduct for Integrity and Business Conduct" There is a specific	

			Implementation Status	Deviations from "Ethical
Assessment Item	Yes	No	Summary	Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
			reporting system in place for the "Integrity Management Operation Procedure and Behavior Guidelines" to actively prevent dishonest behavior and encourage internal and external personnel. Report dishonest or improper behavior, assign the Audit Office as the responsible unit for reporting and accepting, and accept colleagues who have engaged in dishonest behavior. For the purpose of reporting, if the reported matter involves directors or senior executives, the report will be made to independent directors and a whistleblower protection system will be established. The identity and content of the whistleblower will be kept confidential, and we promise to protect them from improper disposal due to the reported matter. In 2023, multiple internal and external reports were received, and there was no significant corruption in the investigation. However, some improper behaviors have been dealt with in accordance with relevant management systems. The business management unit has taken appropriate and improved measures to implement internal management controls.	

			Implementation Status	Deviations from "Ethical
Assessment Item		No	Summary	Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
(3) Whether the company has established policies to prevent conflict of interests provide appropriate communication and complaint channels and implement such policies properly?			(3) The company has formulated "Regulation of Conflict of Interest Management" to stipulate the reporting and handling workflow for any situation that may cause potential conflict of interest.  New employees are required to sign the Ethical Corporate Management Best Practice Principles and the Ethical Management Standard Operating Procedure and Behavior Guidelines. They are required to be honest and upright, and are prohibited to accept kickback, so as to avoid sacrificing the interests of the company due to the employees' personal interests.	There is no big deviation.
<ul> <li>(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</li> <li>(5) Does the company provide internal and external ethical conduct training programs on a regular basis?</li> </ul>			<ul> <li>(4) In order to ensure the ethic management practice, the company has established an effective accounting system and an internal control system. The company's internal auditors carry out various audits according to the annual audit plan in accordance with the risk assessment results.</li> <li>(5) All employees have signed the "Commitment to Integrity and Self-Discipline" and pledged not to engage in any dishonest behavior. The company regularly holds training and education to promote the principle of integrity among employees. In 2023, a total of 7,109 people attended training courses for a total of 5,191 hours, including four courses:</li> </ul>	There is no big deviation.

			Implementation Status	Deviations from "Ethical
Assessment Item		Yes No Summary		Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
			"Adhering to the Principle of Integrity and Building a Culture of Integrity at TPK", "Stay away from official crimes and build integrity together", This includes four training courses: "Adhering to the Principle of Integrity, Jointly Building Integrity TPK" and "Stay Away from Duty Crimes, Jointly Building Integrity TPK" "Key Integrity Course" and "Integrity Culture Certification Exam", to build a culture of integrity at TPK.	
<ul> <li>3. Implementation of Complaint Procedures</li> <li>(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</li> <li>(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</li> </ul>	<b>&gt;</b>		<ol> <li>The company has set a complaint mailbox (7777@tpk.com) and a dedicated unit to handle relevant affairs in accordance with the procedures stipulated.</li> <li>The company has set procedures for reporting and investigation. After the investigation is completed, the company will put forward suggestions for improvement and ask the responsible department to conduct parallel inspection to avoid similar problems. The director and personnel unit are responsible for keeping confidential on the data of the parties.</li> <li>The identity of the whistleblower shall be kept</li> </ol>	
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	<b>V</b>		confidential during the company's whistleblowing process to prevent whistleblower from being misconducted.	There is no big deviation.

			Implementation Status	Deviations from "Ethical
Assessment Item	Yes			Corporate Management
		No	G	<b>Best Practice Principles</b>
		110	Summary	For TWSE/GTSM Listed
				Companies" and Reasons
4. Information Disclosure Does the company	V		The company has a website to disclose information	There is no big deviation.
disclose its guidelines on business ethics as well			such as relevant measures, corporate culture, and	
as information about implementation of such			business policies.	
guidelines on its website and Market Observation				
Post System ("MOPS")?				

- 5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: None.
- 6. Other important information for the learning of the execution condition of the company's credit management: (such as the review and revision of credit management rule)
  - (1) The Company's "Rules of Board Meeting Procedures" has a system for avoidance of directors' interests, the directors shall not take part in the decision if the cases listed in the board of directors have a relation with him or the juridical person represented by him, which will impair the company's interest, and shall not represent other directors to exercise voting rights.
  - (2) The Company has formulated "Preventing Internal Line Trading Management Operation", which specifies that directors, managers and servants must not disclose important internal information that they know to others, and must not inquire or collect personal information from those who know important information within the company, and shall not disclose undocumented internal information to others if the information is got rather than business execution.
  - (8) If the company has formulated company rules and relative regulations, the query method of rules and regulations shall be disclosed:

    This company has formulated the business operation rule and released it on the public information observation website. The company has operated and implemented related rules according to the company's operation spirit, and it will promote business operation by formulation of the relative management method and strengthening of transparent function of board of directors.
  - (9) Other important information which can facilitate the understanding of business operations: None.

### (10) Implementation of Internal Control System

1. Statement of Internal Control System

# TPK Holding Co., Ltd.

# Statement of Internal Control System

Date: March 7, 2024

We hereby declare the results of the self-assessment of our internal control system in 2023 as below:

- 1. We acknowledge that it is the responsibility of the Company's Board of Directors and managers to establish, implement, and maintain the internal control system. We have established said system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including revenue, performance, and asset safety) and reporting are reliable, timely and transparent, as well as to ensure compliance with relevant regulations and laws.
- 2. Due to the inherent limitations of the internal control system, an effective internal control system can only provide reasonable assurance about the achievements of the three goals above, no matter how completely it is designed. Also, the effectiveness of an internal control system may vary when environment and circumstances change. However, our internal control system contains a self-supervision mechanism. We will immediately take corrective action towards any deficiency identified therefrom.
- 3. We determine the effectiveness of the design and implementation of our internal control system based on the criteria set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called the "Regulations"). The Regulations specify five elements during the management and control process that constitute the internal control system: a. control environment, b. risk assessment, c. control activities, d. information and communications, e. supervision activities. Each constituent element may include several topics. The foregoing elements are as described in the Regulations.
- 4. We have adopted the above criteria of the internal control system to assess the effectiveness of the design and implementation of our internal control system.
- 5. Based on the results of said assessment, we determined that our internal control system (including the supervision and management of subsidiaries) as of December 31, 2023 have provided an effective design and implementation to reasonably ensure the achievement of goals, including the understanding of the achievement level of our effectiveness and efficiency goals, the reliability, timeliness, and transparency of reporting, as well as compliance with relevant regulations and laws.
- 6. This Report will form the major part of our annual report and prospectus, and will be disclosed to the public. Any misrepresentation, concealment and other illegal conduct will result in liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- 7. This Report has been passed by the Board of Directors on March 7, 2024. Among the nine directors present at the meeting, zero members had objections, and the rest agreed to the statement herein.

TPK Holding Co., Ltd.

Chairman: Michael Chao-Juei Chiang General Manager: Li-Chien Hsieh

2. If an accountant is entrusted to review internal audit control, the accountant review report shall be disclosed: None.

(11) Any penalties for violations of regulations or the Company's internal control systems; Major defects and the status of corrections of internal control systems for the most recent year and up to the publication date of this annual report: None

# (12) Major Resolutions of the General Meeting of Shareholders and Board Meetings:

1. Major Resolutions of 2023 General Meeting of Shareholders:

Date		Major Resolution	Implementation Status
		1. To approve 2022 Business Report and Consolidated	Material information has been announced and released in accordance
		Financial Statements.	with the resolution.
June 06,	Admit	2. To approve the Proposal for 2022 Profit Distribution.	The ex-dividend base date is July 25, 2023, and the cash dividend distribution date is August 15, 2023. (A cash dividend of NT\$0.5 per share is distributed.)
2023	Discussion	Restated Memorandum of	inoard of directors and announced affert

2. Major Resolutions of board of directors of fiscal year 2023 and up to April 20, 2024:

Date	Major Resolution	Implementation Status
	1. The Company's 2022 consolidated financial report and business report and other final accounts (Note)	
The 4 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of	2. The Company's 2022 Employee and Directors' Remuneration Distribution Plan (Note)	
Directors  March 8, 2023	Distribution Plan (Note)	Material information has been released on March 08, 2023. It has been voted and approved by the 2023 General Meeting of Shareholders.
	4. The Company's 2023 annual operation plan	Execute according to its content.
	5. Proposed to pass the 2022 internal control system effectiveness assessment and issue a statement (Note)	

Date	Major Resolution	Implementation Status
	6. The Company's 2022 Independence	According to the evaluation results, both
	Assessment Case for Appointment of	CPA Pi-Yu Chuang and CPA Tzu-Jung
	Certified Public Accountants (Note)	Kuo of Deloitte & Touche qualified the
		company's independence and suitability
		evaluation standards in 2022.
	7. The change of CPA by regulatory	-
	requirements on rotation in CPA firm	
	(Note)	been released on March 08, 2023.
	8. To amend the Amended and Restated	l <del>-</del>
	Memorandum of Association and Articles	·
	of Association	passed according to the decision of the
		board of directors and announced after
		2023 General Meeting of Shareholders,
		began to implement relative operation.
	9. To amend the Rules of Shareholders'	1
	Meeting Procedures (Note)	resolution of the board of directors;
		passed according to the decision of the board of directors and announced after
		2023 General Meeting of Shareholders,
		began to implement relative operation.
	10. To amend the Rules of Board Meeting	
	Procedures (Note)	resolution of the board of directors;
	Toccdures (Note)	Completed the report at the 2023 General
		Meeting of Shareholders.
	11. Proposed to hold the Company's 2023	
	General Meeting of Shareholders, the	
	date, time, place and reasons for the	
	convening	
	12. To formulate matters related to the	
	acceptance of shareholder proposals at the	Announcement has been made in
	Company's 2023 General Meeting of	accordance with the resolution.
	Shareholders	
	13. To decide to pass the KPI bonus plan	Implemented in accordance with the
	for senior managers in 2022	resolution.
	14. Proposed to handle the approval of the	Implemented in accordance with the
	company's bank quota	resolution.
	15. Proposed to handle the case of capital	Implemented in accordance with the
	loan to the company from subsidiary TPK	resolution.
	Universal Solutions Limited (Note)	robolution.
	16. Proposed to handle the case of capital	
	loan from subsidiary TPK Universal	
	Solutions Limited to Amplifi Tech Hong	resolution.
	Kong Co., Limited (Note)	
	17. To cancel the endorsement guarantee	
	case from XiaMen Jan Jia Optoelectronics	
	Co., Ltd. to Jan Jia Trading Company	resolution.
	Limited (Note).	

Date	Major Resolution	Implementation Status
	18. Proposed to handle the case of the subsidiary TPK Touch Solutions Inc. establishing a Taiwan subsidiary (Note)	Implemented in accordance with the resolution.
	1. 2023 first quarter Consolidated Financial Report (Note)	Material information has been announced and released in accordance with the resolution.
	2. Subsidiary Improve Idea Investments Ltd. plans to participate in the private equity investment case of Luminar Technologies Inc. (Note)	Implemented in accordance with the
	3. Subsidiary Improve Idea Investments Ltd. plans to apply for a non-hedge derivatives trading quota case (Note)	Implemented in accordance with the resolution.
	Technology Co., Ltd. at a share price to TPK Glass Solutions (Xiamen) Inc. (Note)	Implemented in accordance with the resolution.
	5. Proposed establishment of a new Hong Kong subsidiary by subsidiary TPK Precision (Xiamen) Inc. (Note)	Implemented in accordance with the resolution.
	6. loan of funds from subsidiary TPK Universal Solutions Limited to the company (Note)	Himplemented in accordance with the
	7. Proposed endorsement case for TPK Universal Solutions Limited by subsidiary TPK Touch Solutions (Xiamen) Inc. (Note)	Implemented in accordance with the
	1. Determining the ex-dividend base date for the company to distribute 2022 cash dividends	=
The 6 <sup>th</sup>	2. Proposed the company's compensation distribution plan for directors in 2022	Implemented in accordance with the resolution.
meeting of the 6 <sup>th</sup> Board of	3. Decide to pass the remuneration plan for senior managers.	Implemented in accordance with the resolution.
Directors July 06, 2023	4. Proposed establishment of a new Thai subsidiary by subsidiary TPK Auto Tech Co., Limited(Note)	Implemented in accordance with the resolution.
	5. The capital loan case of subsidiary TPK Universal Solutions Limited to TPK Auto Tech Co., Limited(Note)	limpiementea in accordance with thei
	6. The capital loan case of subsidiary TPK Universal Solutions Limited to Stellar Energy Technology Inc. (Note)	Implemented in accordance with the resolution.

Date	Major Resolution	Implementation Status
	Financial Report (Note)	with the resolution.
	2. Planned capital increase for subsidiary TPK Glass Solutions (Xiamen) Inc. (Note)	Implemented in accordance with the resolution.
The 7 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors	3. Proposed joint venture between subsidiary TPK Glass Solutions (Xiamen) Inc. and FlexTouch Technologies Co. (Note)	Implemented in accordance with the
August 16, 2023	4. To amend the "Regulations Governing Granting Endorsements or Guarantees to Others" and the new "Measures for the Handling of Group Subsidiary Endorsements and Guarantees" (Note)	resolution of the board of directors; it will be included in the discussion at the
	5. Proposed revision of the company's "TPK Group Seal Management Measures" (Note)	Implemented in accordance with the resolution.
	1. Proposed merger of subsidiary TPK Glass Solutions (Xiamen) Inc. with TPK Touch Systems (Xiamen) Inc. (Note)	Implemented in accordance with the resolution.
	<ol> <li>Subsidiary TPK Glass Solutions (Xiamen) Inc. Capital Increase (Note)</li> </ol>	Implemented in accordance with the resolution.
The 8 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors  September 27,	3. Subsidiary TPK Glass Solutions (Xiamen) Inc. to selling 60% shares of TPK Auto Tech (Xiamen) Limited to TES Touch Embedded Solutions (Xiamen) Co., Ltd. (Note)	
2023	Himivereal Sollifione Limited to LPK Allfol	limniamantad in accordance with that
	5. Plan to handle the case of loan of funds from subsidiary Ray-Star Universal Solutions Limited to the company (Note)	limplemented in accordance with the
	1. 2023 third quarter Consolidated Financial Report (Note)	Material information has been announced and released in accordance with the resolution.
The 9 <sup>th</sup> meeting of the	1	The announcement has been completed, and in accordance with the law and implemented accordingly.
6 <sup>th</sup> Board of Directors November 09, 2023	3. To amend some articles of the company's "Internal Control System" and "Internal Audit Implementation Rules" (Note)	
	4. Formulate the company's "Sustainable Development Code of Practice"	Implemented in accordance with the resolution.
	5. Proposed to authorize the company and its subsidiaries to assume U.S.	Implemented in accordance with the resolution.

Date	Major Resolution	Implementation Status
	government bonds within a certain	-
	amount(Note) 6. Plan to handle the organizational structure adjustment case of the group subsidiary(Note)	=
	7. Plan to handle the capital reduction, dissolution and liquidation case of subsidiary Ray-Star Universal Solutions Limited(Note)	The capital reduction has been completed and the dissolution and liquidation procedures are in progress.
	8. Plan to handle the case of loan of funds from subsidiary TPK Universal Solutions Limited to the company(Note)	Implemented in accordance with the resolution.
	<ol> <li>Plan to handle the capital loan case of subsidiary TPK Universal Solutions Limited to Amplifi Tech Hong Kong Co., Limited(Note)</li> </ol>	Implemented in accordance with the
	1. The Company's 2023 consolidated financial report and business report and other final accounts (Note)	
	2. The Company's 2023 Employee and Director Remuneration Distribution Plan (Note)	
	3. Drafting the Company's 2023 Earnings Distribution Plan (Note)	March 7, 2024, and will be included in the agenda of the 2024 General Meeting of Shareholders.
	4. The Company's 2024 annual operation plan	Execute according to its content.
6 <sup>th</sup> Board of Directors March 07,	5. Proposed to pass the 2023 internal control system effectiveness assessment and issue a statement (Note)	
2024	6. The Company's 2023 Independence Assessment Case for Appointment of Certified Public Accountants (Note)	_
	7. Proposed amendments to of the company's "Board of Directors Performance Evaluation Methods" and name change proposal	Implemented in accordance with the
	8. To amend the Procedures of Engaging in Derivatives Transactions (Note)	It has been passed in accordance with the resolution of the board of directors; it will be included in the discussion at the 2024 General Meeting of Shareholders.

Date	Major Resolution	Implementation Status
	9. Proposed to hold the Company's 2024 General Meeting of Shareholders, the date, time, place and reasons for the convening	Implemented in accordance with the
	10. To formulate matters related to the acceptance of shareholder proposals at the Company's 2024 General Meeting of Shareholders	Implemented in accordance with the
	11. Proposed to handle the approval of the company's bank quota	Implemented in accordance with the resolution.
	12. To apply for the endorsement guarantee limit and purpose of the new subsidiary TPK Touch Solutions (Xiamen) Inc. to TPK Universal Solutions Limited and cancel the old limit (Note)	Implemented in accordance with the

Note: Matters included in Article 14-5 of the Securities and Exchange Act.

- (13) Major dissenting comments among directors over board meeting resolutions for the most recent year and up to the publication date of this annual report: None
- (14) In the most recent year and up to the date of publication of the annual report, Resignation or Dismissal of the Company related persons (include Chairman, President, Accounting Supervisor, CFO, Internal Audit Supervisor, Corporate Governance Supervisor and R&D Supervisor): None

# 5. Information on CPA Professional Fees

Amount Unit: NT\$ thousands

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Pi-Yu Chuang  Chun-Hung  Chen	01/01/2023- 12/31/2023	11,000	3,072	14,072	Non-audit fees mainly include fees paid for services to prepare transfer pricing report, tax filing and paper processing and company registration.

The Company shall disclose CPA professional fees if given any one of the following conditions:

- (1). The company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts decreased and reasons of reduction must be disclosed: Not applicable.
- (2). Audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more: Not applicable.

# 6. Information on Replacement of CPA

- (1). Former CPAs: None.
- (2). Sucessor CPAs: None.
- (3). The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 to the Regulations Governing Information to be published in Annual Reports of Public Companies: None.

# 7. Audit Independence

TPK's chairman, CEO, CFO, and managers in charge of its finance and accounting operations did not hold any positions within the accounting firm or its affiliates of TPK's CPA in the most recent year.

- 8. Changes in shareholding and/or pledge of Directors, Supervisors, Managers, and major shareholders with more than 10 percent shareholding during the most recent year or as of the annual report printing date:
  - (1) Change in shareholding of directors, Supervisors, managers, and major shareholders with more than 10 percent shareholding.

		20	23	Current year (2024) as of April 20, 2024	
Position	Name	Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Chairman	Michael Chao-Juei Chiang	_	_	_	_
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu	_	_	_	_
Director	Max Gain Management Limited Representative: Heng-Yao Chang	_	_	_	_
Director	High Focus Holdings Limited Representative:Hsi-Liang Liu	_	_	_	_
Independent Director	Ming-Jeng Weng	_	_	-	_
Independent Director	Yen-Wei Cheng				
Independent Director	Hsiu-Chun Wang		_	-	_
Director /President	Li-Chien Hsieh		_	-	_
Director /Senior Vice President	Tsung-Liang Tsai	_	-	_	_
Senior Vice President	Shih-Ming Liu	_	_	_	_
Senior Vice President	Hsi-Liang Liu	_	_	_	_
Senior Vice President	Ming-Chung Chuang	_	_	_	_
Senior Vice President	Jen-I Tai	_	_	_	_
Vice President	Pei-Ching Tsai	_	_	_	_
Vice President	Chun-An Wei	_	_	-	_
Accountant Officer	Hu-Yao Lin	_	_	_	_

<sup>(2)</sup> Relative person of equity transfer or equity pledge of related party: Not applicable.

# 9. Information on relationships among the Top 10 Shareholders

April 20, 2024; Unit: Shares; %

1							April 20, 2024; Unit:	Shares; %
Name	Sharehold	ling	shareh of spot	sent oldings use and children  Shares held in another name			Name and relationship between company's top ten shareholders spouses or relatives within tw degrees	
name	Shares	Ratio of shareho lding	Shares	Ratio of shareho lding	Shares	Ratio of shareholdi ng	Name	Relation
Max Gain Management Limited Representative: Michael Chao-Juei Chiang	25,222,643	6.20%	ı	_	.1	ı	<ul><li>(1) Capable Way         Investments Limited         </li><li>(2) High Focus         Holdings Limited     </li></ul>	Same sharehold er
Capable Way Investments Limited Representative: Michael Chao-Juei Chiang	23,139,855	5.69%	_	_	_	-	(1) Max Gain Management Limited (2) High Focus Holdings Limited	Same sharehold er
Michael Chao-Juei Chiang	17,720,401	4.36%	_	_	100,000	0.02%	_	_
High Focus Holdings Limited Representative: Michael Chao-Juei Chiang	13,273,610	3.26%	1	_	_	-	(1) Capable Way Investments Limited (2) Max Gain Management Limited	Same sharehold er
Vanguard Emerging Markets Stock Index Fund A Series Of Vanguard International Equity Index Funds	4,633,288	1.14%	_	_	_	_	_	_
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	4,615,313	1.13%	I	_	I	1	_	_
Acadian Emerging Markets Small Cap Equity Fund LLC	4,322,000	1.06%	_	_	_	_	_	_
Tseng, Wan Ting	3,965,000	0.98%	_	_	_	_	_	_
Evermajesty Invest Limited Representative: Chiu-Kuei Wu Hsieh	3,600,000	0.89%	_	_	_	_	_	_
MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO. LTDEQUITY TRADING DIVISION (PROPRIETARY TRADING DESK) FOR TRI-PARTY SBL TRADING	2,953,000	0.73%	_	_	_	-	_	_

10. The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

As of December 31, 2023; Unit: Share; %

<b>Long-term Investment</b> (Note 1)	Ownership by TPK		Ownershi Directors Superviso Managers Directly/I Controlle Subsidiar	ors, s and ndirectly	Total Ownership		
	Shares	%	Shares	%	Shares	%	
TPK Touch Solutions Inc.	50,717,000	100.00%	_	_	50,717,000	100.00%	
Cando Corporation	77,124,591	19.78%	_	_	77,124,591	19.78%	
Upper Year Holdings Limited	261,344,530	100.00%	_	_	261,344,530	100.00%	
Improve Idea Investments Ltd.	154,490,000	100.00%	_	_	154,490,000	100.00%	
Optera TPK Holding Pte. Ltd.	1,079,816,942	100.00%	_	_	1,079,816,942	100.00%	
TPK America, LLC	(Note 2)	_	_	_	(Note 2)	_	
Ray-Star Universal Solutions Limited	469,498,000	100.00%	_	_	469,498,000	100.00%	
TPK Universal Solutions Limited	664,245,254	100.00%	_	_	664,245,254	100.00%	
TPK Asia Pacific Sdn. Bhd.	632,187	100.00%	_	_	632,187	100.00%	
TPK Touch Solutions (Xiamen) Inc.	(Note 3)	100.00%	_		(Note 3)	100.00%	
TPK Touch Systems (Xiamen) Inc.	(Note 3)	100.00%	_		(Note 3)	100.00%	
TPK Glass Solutions (Xiamen) Inc.	(Note 3)	100.00%	_		(Note 3)	100.00%	
XiaMen Jan Jia Optoelectronics Co., Ltd.	(Note 3)	100.00%	_		(Note 3)	100.00%	
Jan Jia Trading Company Limited	500,000	100.00%	_		500,000	100.00%	
TPK Film Solutions (Xiamen) Inc.	(Note 3)	100.00%	_		(Note 3)	100.00%	
TPK MasTouch Solutions (Xiamen) Inc.	(Note 3)	100.00%	_	_	(Note 3)	100.00%	
TPK Touch Solutions (Pingtan) Inc.	(Note 3)	100.00%	_	_	(Note 3)	100.00%	
TPK Advanced Solutions Inc.	(Note 3)	100.00%	_	_	(Note 3)	100.00%	
Trend Technology (Xiamen) Inc.	(Note 3)	100.00%	_	_	(Note 3)	100.00%	
TPK Material Solutions (Xiamen) Inc.	(Note 3)	100.00%	_	_	(Note 3)	100.00%	
Amplifi Technologies Inc.	60,000,000	57.69%	_	_	60,000,000	57.69%	
Amplifi Tech Hong Kong Co., Limited	1,153,800	57.69%	_	_	1,153,800	57.69%	
Amplifi Tech (Xiamen) Limited	(Note 3)	57.69%	_	_	(Note 3)	57.69%	
Amplifi Channels Hong Kong Co., Limited	5,769	57.69%	_	_	5,769	57.69%	
TPK Auto Tech Co., Limited	3,690,000	90.00%	_		3,690,000	90.00%	
TPK Auto Tech (Xiamen) Limited	(Note 3)	90.00%	_		(Note 3)	90.00%	
TPK Auto Tech (Thailand) Company Limited	7,050,280 (Note 4)	90.00%	_		7,050,280 (Note 4)	90.00%	
TPK Trading (Xiamen) Inc.	(Note 3 & 5)	100.00%	_	_	(Note 3 & 5)	100.00%	
TPK Precision (Xiamen) Inc.	(Note 3)	100.00%	_		(Note 3)	100.00%	
TPK Precision Hong Kong Co., Limited	3,773 (Note 6)	100.00%	_	_	3,773 (Note 6)	100.00%	
DS Energy Technology Co., Ltd.	6,000,000	50.22%	_	_	6,000,000	50.22%	
Stellar Energy Technology Inc.	8,400,000 (Note 7)	70.00%	_	_	8,400,000 (Note 7)	70.00%	
UBCO Holdings Limited	29,311,931 (Note 8)	21.00%	_	_	29,311,931 (Note 8)	21.00%	

- Note 1: Invested by Equity Method
- Note 2: The process of dissolution and liquidation of TPK America, LLC was completed in November 2023.
- Note 3: These firms do not issue shares. TPK's investment is measured as a percentage of ownership.
- Note 4: TPK had set up TPK Auto Tech (Thailand) Company Limited in September 2023 and a capital was invested in October and December 2023, respectively.
- Note 5: TPK Core Asset (Xiamen) Inc. changed its name to TPK Trading (Xiamen) Inc. in August 2023.
- Note 6: TPK had set up TPK Precision Hong Kong Co., Limited in June 2023 and a capital was invested in December 2023.
- Note 7: TPK had set up Stellar Energy Technology Inc. in July 2023 and a capital was invested in July and October 2023, respectively.
- Note 8: TPK participated in the cash capital increase of UBCO Holdings Limited in January 2023, including the preference shares held as of December 31, 2022, acquiring a significant influence over UBCO Holdings Limited.

# IV. Capital Overview

# 1. Capital and Shares

- (1). Source of share capital
  - 1. Capital formation

Unit: NT\$ thousands/One thousand shares

		Authorized	l Capital Stock	Issued Ca	pital Stock	Unit: NT\$ thousands/One thousand shares  Notes			
Date/Month	Issuing Price	Shares	Amount	Shares	Amount	Source of share capital	Written off with property other than cash	Other	
November 2005	USD 0.1	500,000	USD50,000	250,000	USD25,000	Increment of cash	_	_	
August 2006	USD 0.1	500,000	USD50,000	308,261	USD30,826	Increment of cash	-	_	
February 2010	NT\$10	300,000	3,000,000	180,000	1,800,000	(1) Authorized equity changes from USD50,000,000 to NT\$3,000,000,000 (2) Issued equity changes from USD30,826,000 to NT\$1,000,000,000 (3) Handle Stock Div-Cpl Reserve NT\$800,000,000	_	Note 1	
July 2010	NT\$10	300,000	3,000,000	196,068	1,960,675	Handle stock issuance of 9,000,000 options and 7,067,522 employee stock options	_	Note 2	
October 2010	NT\$10	300,000	3,000,000	224,068	2,240,675	Cash increase 28,000,000	_	Note 3	
August 2011	NT\$10	400,000	4,000,000	235,271	2,352,709	Surplus to increment 11,203,376	_	Note 4	
May 2012	NT\$10	600,000	6,000,000	236,961	2,369,609	1,690,000 employee stock options	_		
June 2012	NT\$10	600,000	6,000,000	238,550	2,385,499	1,589,000 employee stock options	_		
July 2012	NT\$10	600,000	6,000,000	309,131	3,091,312	Surplus to increment 70,581,269	_	Note 5	
August 2012	NT\$10	600,000	6,000,000	309,320	3,093,202	189,000 employee stock options	_		
September 2012	NT\$10	600,000	6,000,000	309,357	3,093,572	37,000 employee stock options	_		
October 2012	NT\$10	600,000	6,000,000	326,980	3,269,802	23,000 employee stock options Overseas Depository Receipts 17,600,000	_		
November 2012	NT\$10	600,000	6,000,000	326,996	3,269,962	16,000 employee stock options	_		
December 2012	NT\$10	600,000	6,000,000	327,135	3,271,352	139,000 employee stock options	_		
January 2013	NT\$10	600,000	6,000,000	327,140	3,271,402	5,000 employee stock options	_		
February 2013	NT\$10	600,000	6,000,000	327,152	3,271,522	12,000 employee stock options	_		
March 2013	NT\$10	600,000	6,000,000	327,180	3,271,802	28,000 employee stock options	_		
May 2013	NT\$10	600,000	6,000,000	328,508	3,285,078	1,198,000 employee stock options Foreign Convertible Bonds 129,592	_		
June 2013	NT\$10	600,000	6,000,000	328,600	3,286,008	93,000 employee stock options	_		
July 2013	NT\$10	600,000	6,000,000	328,854	3,288,538	253,000 employee stock options	_		
August 2013	NT\$10	600,000	6,000,000	329,015	3,290,148	161,000 employee stock options	_		
September 2013	NT\$10	600,000	6,000,000	329,102	3,291,018	87,000 employee stock options	_		
October 2013	NT\$10	600,000	6,000,000	329,105	3,291,048	3,000 employee stock options	_		
November 2013	NT\$10	600,000	6,000,000	329,110	3,291,098	5,000 employee stock options	_		
December 2013	NT\$10	600,000	6,000,000	329,289	3,292,888	179,000 employee stock options	_		
January 2014	NT\$10	600,000	6,000,000	329,295	3,292,948	6,000 employee stock options	_		
February 2014	NT\$10	600,000	6,000,000	329,310	3,293,098	15,000 employee stock options			
March 2014	NT\$10	600,000	6,000,000	329,535	3,295,348	225,000 employee stock options	_		
May 2014	NT\$10	600,000	6,000,000	329,743	3,297,428	208,000 employee stock options	_		

		Authorize	Authorized Capital Stock   Issued Capital Sto		pital Stock	Notes		
Date/Month	Issuing Price	Shares	Amount	Shares	Amount	Source of share capital	Written off with property other than cash	Other
June 2014	NT\$10	600,000	6,000,000	330,736	3,307,358	993,000 employee stock options	_	
July 2014	NT\$10	600,000	6,000,000	330,938	3,309,378	202,000 employee stock options	_	
August 2014	NT\$10	600,000	6,000,000	330,956	3,309,558	18,000 employee stock options	_	
September 2014	NT\$10	600,000	6,000,000	331,136	3,311,358	180,000 employee stock options	_	
October 2014	NT\$10	600,000	6,000,000	331,152	3,311,518	16,000 employee stock options	_	
November 2014	NT\$10	600,000	6,000,000	331,273	3,312,728	121,000 employee stock options	_	
December 2014	NT\$10	600,000	6,000,000	331,295	3,312,948	22,000 employee stock options	_	
January 2015	NT\$10	600,000	6,000,000	331,383	3,313,828	88,000 employee stock options	_	
February 2015	NT\$10	600,000	6,000,000	331,387	3,313,868	4,000 employee stock options	_	
April 2015	NT\$10	600,000	6,000,000	351,387	3,513,868	Overseas Depository Receipts 20,000,000	_	
June 2015	NT\$10	600,000	6,000,000	351,604	3,516,038	217,000 employee stock options	_	
July 2015	NT\$10	600,000	6,000,000	351,618	3,516,178	14,000 employee stock options	_	
August 2015	NT\$10	600,000	6,000,000	351,631	3,516,318	14,000 employee stock options	_	
March 2016	NT\$10	600,000	6,000,000	346,634	3,466,338	Cancel the treasury stock 4,998,000	_	Note 6
September 2017	NT\$10	600,000	6,000,000	406,634	4,066,338	Overseas Depository Receipts 59,820,000, 180,000 employee stock options total issuance of 60,000,000 stocks	_	
November 2017	NT\$10	600,000	6,000,000	406,664	4,066,638	30,000 employee stock options	_	

Note 1: Passed by the board of shareholders on January 8, 2010, took effect on February 25, 2010.

# 2. Listed Stocks

Unit: share

Stocks	Autho	Notes		
Stocks	<b>Outstanding Shares</b>	<b>Unissued Shares</b>	Total	Notes
Common stock	406,663,759	193,336,241	600,000,000	As of April 20, 2024

3. Summarize relative information of declaration system: Not applicable.

# (2) Composition of shareholders

April 20, 2024; share; %

Composition of shareholders Quantity	Government entity	Financial institutions	Other judicial persons	Foreign entities and individuals	Individuals	Total
Shareholders	0	0	215	213	53,479	53,907
Shareholding (shares)	0	0	6,642,708	150,301,958	249,719,093	406,663,759
Ratio of shareholding	0%	0%	1.63%	36.96%	61.41%	100.00%

Note 1: Shares held by Mainland Chinese investors is 0%.

Note 2: Passed by the board of directors on June 23, 2010, took effect on July 1, 2010.

Note 3: Passed by the board of directors on August 23, 2010, took effect on September 28, 2010.

Note 4: Passed by the board of directors on June 28, 2011, took effect on August 23, 2011.

Note 5: Passed by the board of directors on June 11, 2012, took effect on July 20, 2012.

Note 6: Passed by the board of directors on February 26, 2016, took effect on March 16, 2016.

# (3) Distribution Profile of Share Ownership

1. Common Share: NT\$10 par value

April 20, 2024; Unit: share/NT\$10 par value

Shareholding scale	Number of shareholders	Number of shares held	Percentage of shareholding
1~999	17,057	510,124	0.13%
1,000~5,000	28,158	59,384,321	14.60%
5,001~10,000	4,444	35,506,951	8.73%
10,001~15,000	1,360	17,620,950	4.33%
15,001~20,000	848	15,810,255	3.89%
20,001~30,000	739	18,979,067	4.67%
30,001~40,000	361	12,955,583	3.19%
40,001~50,000	217	10,111,226	2.49%
50,001~100,000	400	28,388,978	6.98%
100,001~200,000	178	24,584,423	6.05%
200,001~400,000	75	20,596,739	5.06%
400,001~600,000	25	11,886,978	2.92%
600,001~800,000	7	4,808,550	1.18%
800,001~1,000,000	7	6,221,212	1.53%
More than 1,000,001	31	139,298,402	34.25%
Total	53,907	406,663,759	100%

# 2. Preferred stock: This Company is no issuing of preferred stock

# (4) Major shareholders (Top 10 shareholders):

April 20, 2024; shares

	1	, ,
Number of shares Names of major shareholders	Shareholding (Shares)	Percentage
Max Gain Management Limited	25,222,643	6.20%
Capable Way Investments Limited	23,139,855	5.69%
Michael Chao-Juei Chiang	17,720,401	4.36%
High Focus Holdings Limited	13,273,610	3.26%
Vanguard Emerging Markets Stock Index Fund A Series Of Vanguard International Equity Index Funds	4,633,288	1.14%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	4,615,313	1.13%
Acadian Emerging Markets Small Cap Equity Fund LLC	4,322,000	1.06%
Tseng, Wan Ting	3,965,000	0.98%
Evermajesty Invest Limited Representative: Chiu-Kuei Wu Hsieh	3,600,000	0.89%
MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO. LTDEQUITY TRADING DIVISION (PROPRIETARY TRADING DESK) FOR TRI-PARTY SBL TRADING	2,953,000	0.73%

# (5) Market Price, Net Worth, Earnings, and Dividends per Common Share

Unit: NT\$/thousand shares

			UIIII: N I	\$/thousand shares
Item		Year	2022	2023
	Highest		46.40	46.40
Market Price Per Share	Lowest		28.00	29.15
Share	Average		34.50	36.16
	Before Distribut	tion	91.11	90.13
Net Worth Per Share	After Distribution	on	90.61	90.13 (Note 1)
E	Weighted Avera	nge Shares	406,936	406,762
Earnings Per Share	Diluted Earning	s Per Share	1.34	0.51
	Cash Dividends		0.50	-(Note 1)
Dividends Per Share	Stock Dividend	From Retained Earnings	_	-(Note 1)
(Note 6)	Distribution	From Capital Reserve	_	-(Note 1)
	Accumulated U	ndistributed Dividend (Note 2)	_	
	Price/Earnings	Ratio (Note 3)	25.82	70.58
Return on Investment	Price/Dividend	Ratio (Note 4)	69.00	—(Note 1)
m vestment	Cash Dividend	Yield (Note 5)	1.45%	-(Note 1)

- Note 1: Pending the General Meeting of Shareholders' approval.
- Note 2: If the undistributed dividends for current year will be accumulated and distributed on next profit year in accordance with terms of Securities Issuance, accumulated unpaid dividends at the end of the year shall be disclosed.
- Note 3: Price/Earnings Ratio = Average Market Price/ Diluted Earnings per Share
- Note 4: Price/Dividend Ratio = Average Market Price/Cash Dividends per Share
- Note 5: Cash Dividend Yield = Cash Dividends per Share/Average Market Price
- Note 6: Dividends per Share are approved by the Members by a resolution adopted at next General Meeting of Shareholders.

# (6) TPK's Dividend Policy and Implementation Status

#### 1. Dividend Policy in Company's Articles of Incorporation:

Under the Company's Articles 34.1 of Incorporation (the "Articles"), the Company may distribute its profits in accordance with the proposals made by the Company's board of directors for a distribution plan and approved in the General Meeting of Shareholders. While distributing any profit, the profit shall be first utilized for offsetting losses of previous years, and 10% of the remaining profit shall be set aside as a legal reserve until the accumulated legal reserve equals the Company's paid-in capital. Secondly, the Company shall appropriate the remaining profit to a special reserve in accordance with the Applicable Public Company Rules or as requested by the competent authorities. Any remaining profit together with any undistributed retained earnings may be distributed as dividends (including cash dividends and share dividends) or bonuses under the Company Law of the Cayman Islands and Applicable Public Company Rules after taking into consideration the financial, business and operational factors. The total amount to be distributed as dividends shall be no less than 10 % of the remaining profit, where the total

amount of the distributed cash dividends shall be greater than 10 % of the total dividends. However, if dividends per share is less than NT\$1 in any given year, the aforementioned 10% threshold shall not apply. The Company may decide to distribute cash dividends or share dividends in whole or in part at its sole discretion. The Company may decide not to distribute any dividends (including cash dividends or stock dividends) if the distributable profits in a given year is less than 10% of the Company's paid-in capital at the end of the relevant financial year.

2. Proposal to Distribute 2023 Earnings

As resolved by TPK's Board of Directors on March 07, 2024, a proposal for 2023 earnings distribution was passed. The proposal will be submitted to the General Meeting of Shareholders for resolution.

(7) Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent General Meeting of Shareholders:

Not applicable.

- (8) Compensation to Directors and Employees
  - 1. The percentages or ranges with respect to employee and director compensation, as set forth in the Company's articles of incorporation

The Company accrued employees' compensation and remuneration of directors at rates of no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.

- 2. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure, for the current period:
  - (1) The basis for estimating the amount of employee and director compensation in 2023:
    - The basis for estimating employee compensation: The net profit before income tax should be retained for offsetting the amount of losses of previous years, and the remuneration is in accordance with the distribution percentage under the Articles.
    - ②The basis for estimating director compensation: The net profit before income tax should be retained for offsetting the amount of losses of previous years, and the remuneration is in accordance with the distribution percentage under the Articles.
  - (2) The basis for calculating the number of shares to be distributed as employee compensation: Not applicable.
  - (3)The accounting treatment of any discrepancy between the actual distributed amount and the estimated figure: If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.
- 3. Information on approval by the Board of Directors of distribution of compensation
  - (1) 2023 director and employee compensation were approved by the Board of Directors at its meeting on March 07, 2024.

Employee Compensation (Cash): US\$ 80,000.

Director Compensation (Cash): None.

- (2) The amount of employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of after-tax net income in 2023 and total employee compensation: Not applicable.
- 4. The actual distribution of employee and director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated
  - (1) 2022 director and employee compensation Employee Compensation (Cash): US\$ 200,000. Director Compensation (Cash): US\$ 288,000.
  - (2) The discrepancy between the above amount and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated: None.
- (9) Company shares purchased by this company itself: None.
- 2. Issuance of corporate bonds (includes overseas bonds):
  - (1) This company is no issuing of domestic corporate bond.
  - (2) Overseas corporate bond:

The first overseas unsecured convertible corporate bond in 2012 had been returned on October 30, 2015. The first overseas unsecured convertible corporate bond in 2015 had been returned on April 8, 2018.

(3) Convertible Bond

The first overseas unsecured convertible corporate bond in 2012 had been returned on October 30, 2015. The first overseas unsecured convertible corporate bond in 2015 had been returned on April 8, 2018.

- 3. Issuance of preferred shares: None.
- 4. Issuance of GDR: None.
- 5. Employees stock options:
  - (1) Information of employee stock option: None.
  - (2) Execution condition of employee private stock option from last year to this report's printing: None.
  - (3) List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options: None.
- 6. Restriction on employee's issuance of new shares:

None.

7. Merger or issuance of new shares from other companies:

None.

# 8. Implementation of Capital Allocation Plans:

- (1) Description of Plans
  - 1. Uncompleted public issue or private placement of securities: None.
  - 2. Issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.
- (2) Status of Implementation: Not applicable.

# V. Business Overview

# 1. Business Operation

# (1).Business Scope

# (1) Major business

The Company and its subsidiaries are mainly engaged in the business of developing, manufacturing and selling touch modules, touch displays and indium tin oxide (ITO) glass-related products.

# (2) Major products and percentage of sales

Unit: NT\$ thousands; %

Major	2021		2022		2023		
Products	Amount	%	Amount	%	Amount	%	
Touch modules	94,243,721	91.42	88,362,030	90.93	62,984,217	90.16	
Others	8,845,024	8.58	8,818,939	9.07	6,877,014	9.84	
Total	103,088,745	100.00	97,180,969	100.00	69,861,231	100.00	

# (3) Current Products

The company provides customers solutions to all kinds of sizes of touch modules, and provides laminations of precise components. The major end-products of the company's touch solutions are as follows:

- 1. Below 7-inch: Wearable device, smart home device, e-Reader, smart phone.
- 2. Above 7-inch (include) and below 11-inch: Tablet.
- 3. Above 11-inch (include) and below 16-inch: Large-sized tablet, 2-in-1 PC, notebook PC.
- 4. Above 16-inch (include): All-in-One PC, automotive centrol control display, interactive electronic whiteboard.
- 5. Major components of consumer products produced by 3D printing.
- 6. Solar energy storage cabinet assembly

# (4) New products and services planned to develop in future:

- 1. Provide customers with next generation high-end touch solutions possessing more extraordinary functions with thinner and lighter designs.
- 2. Expand touch solutions to more diversified scopes of applications and enter into more brand-new end-product markets.
- 3. Provide customers with more advanced lamination services by customizing product designs.
- 4. Expand the innovative touch materials for new applications. Meanwhile, we strive to evolve new business models through optimizing production processes, providing more diversified services to customers, and enhancing the value of the company.
- 5. Strenthen the mass production manufacturing process of 3D printing and develop new customers and new product applications as well.
- 6. Applications and services related to new energy products.

# (2). Industry overview

- (1) Current status and development of touch industry
  - 1. Touch industry development steps into stable growth period.

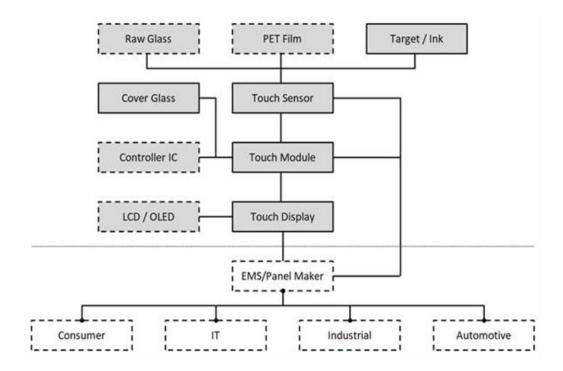
Touch technology went through explosive growth in the last decade with many manufacturers in its development. Since touch technology has been mature, each end-product will adopt different touch technology with the adequate characteristics correspondingly. The growth rate of touch products shipment have slowed down and have almost been stagnant before the completely innovative and different products launched by brand name custuomers, and hence touch manufactures in the industry have encountered challenges of the industry, some of the manufactures have quit the touch industry market due to tough market environment. Only major players in touch industry have survived in the market. Therefore, the overall supply and demand of touch industry has gradually gone back to the stable and healthy status.

2. Touch product application scope continues to expand
In recent years, touch products are widely applied to mobile electronic devices
such as smart phones, e-Readers, tablets and wearable products. Touch has
become the interface that customers get used to. A variety of innovative touch
applications and touch products installed in various kindsof areas have been
launced one after the other, such as interactive whiteboards for meeting room or
for education, home electronics, smart IOT devices, POS, slot machine, window
display with transparent OLED and smart touch dressing mirror.

# (2) Industry supply chain

TPK provides total solutions of projected capacitive touch. The company is positioned in the mid-downstream of the supply chain. Upstream manufacturers include material suppliers, such as glass substrate, chemical material, Silver nanowire ink and PET film. Midstream manufacturers include suppliers of touch sensors (ITO film, SNW film and ITO glass), Flex, and control IC. Mid-downstream manufacturers include supplier of LCD panel, OLED panel and cover glass. Down stream manufacturers are system integration.

TPK possesses the technology of ITO and SNW coating technology, yellow etching, laser printing, cutting, lamination for flex, cover glass and panels. In the meantime, we provide the services of glass strengthening, surface coating and cutting. The company could provide total solutions for customers in order to enhance the production efficiency and shorten the leadtime for the new products to go mass production from product design, so that we could face the challenges of the fast changing industry and shortening product life cycle. The touch industry supply chain is shown as follows:



# (3) The trends of product development

As the touch technology has become mature, there are different structures for touch sensors, including G/G, P/F/F, G/F/F, G1F, G/F, OGS and TOL. After the integration of touch technology, every technology and sensor structure has its own place in the market. The company could provide customized touch solutions and product designs based on the electronic products' characteristics and customers' products market segment. Therefore, we can optimize the market price and production efficiency by providing different touch solutions to meet customers' requests for their high, mid and low end products respectively.

Looking ahead, as the touch industry has entered a mature phase without any breakthrough innovative technologies on the horizon, the company will continue to actively innovate in processes and materials within existing specifications. We will work closely with upstream and downstream partners to co-design new products and applications that meet consumer needs.

# (4) Competition

After rapid growth and market integration, the touch industry steps into stable development in recent years. The oversupply situation, causing by manufacturers entered the industry and expanded their capacity at the same time due to explosive growth rate of market demand, has been improved after some manufacturers has been eliminated from the severe competition.

Moreover, upstream manufacturers and downstream manufaturers tend to form a partnership with each other when developing new technologies and expanding the capacity. It totally changes the manufacturers' strategy of competing on the price by increasing the capacity. On the other hand, customers were experiencing consolidation as well. Some of the customers either exited the market or were merged by others because their products were not attractive to the consumers, and turned out to be failure.

As the supply and demand of touch industry has become stable, there is no abnormal profit, meaning no incentive for new entrants. "The big one get bigger" and "Winner takes all" will remain unchanged.

Our company is known for possessing leading technology and extraordinary production integration ability in this industry. As the stable development of the touch industry, the company will continue to concentrate on the development and promotion of new materials, silver nanowire, customer services, product development and innovative technology. Meanwhile, we will continue to optimize the production process to maintain our leading position in the touch industry and improve overall benefits. In addition, the company will take advantage of the precise insights into touch technology and industry development, and continue to look for any opportunities for business cooperation.

- (3). Overview of touch technology and research & development
  - (1) TPK's technology and research development

As a touch technology leading application manufacturer, the company provides a variety of projected capacitive touch solutions and integrated services of high precision electronic products. TPK plays an important role in the touch industry development. The company mainly concentrates on development of self-owned technology, and at the same time, continues to cooperate with worldwide consumer electronics factories and suppliers of relative materials in technology development which include technology research, material development, process improvement, and yield promotion. Since established, the development and manufacturing technology in the touch industry of this company have been praised and certified by all the worldwide customers.

The company focuses on various touch technology, applications and vertical integrated production. The screen sizes range from 1 inch to 100 inch, of which include wearable devices, smart phones, DSC, PND, PMP, hand-held game consoles, eReaders, tablets, smart IOT devices, notebooks, AIO PCs, screens of entertainment system in automobile and interactive whiteboards.

- (2) The company set the R&D department to concentrate on the development and research of touch technology, innovative materials and manufacturing process, and we collect market dynamics and product development trends by the Marketing Department and Business Department in order to make research results that can satisfy market demands and trends.
- (3) Besides touch products, TPK has engaged in 3D printing technology. 3D Printing technology has rapidly developed with the advent of smart manufacturing, transitioning from early-stage demonstrations and educational applications to sample production, and further evolving into successful commercialized mass production today. TPK has collaborated with international 3D printing technology giants and renowned sports brands, successfully launching several innovative 3D printed sports products that have been well-received by consumers in 2021. Over the past two years, our products have

gained widespread popularity among consumers. The company is looking forward to promoting the mass production application of 3D printing to a wider range of industries in near future, aiming to achieve technology and product proliferation, and subsequently drive revenue growth.

# (4) R&D costs of recent year (2023) and year 2024 as of March 31, 2024

Unit: NT\$ thousands

Year	2023	March 31, 2024
R&D Expenditure	585,849	124,171
Net revenue	69,861,231	15,330,198
% to net revenue (%)	0.84%	0.81%

(5) Developed technology or product

Developed technology or pro-	Important Application	Manufacturing Process
1. Process of double-sided ITO projected capacitive touch sensor and double-sided photoliography	Smart phone, GPS, and eReader etc.	Double-sided ITO coating, double-sided ITO sensing, circuit structure etching, conductive metal coating, metal wire etching, protective layer coating and photoliography, laser cutting
2. Process of single-sided ITO projected capacitive touch sensor and single-sided photoliography	Smart phone, GPS, and eReader etc.	Single-sided ITO coating, ITO sensing circuit structure etching, insulating layer coating and yellow light forming, conductive metal coating, metal wire etching, protective layer coating and photoliography, laser cutting
3. Pressing technology of projected capacitive touch sensor and double-sided flexible circuit board (FPC)	Smart phone, GPS, and eReader etc.	Positive anisotropic conductive adhesive (ACF) attachment, front FPC fit, back ACF attachment, back FPC fit, double-sided hot pressing
4. Lamination technology of projected capacitive touch module	The same, it is applicable to products with 3.5-32 inch screens	Touch glass bonding optical double-sided adhesive (OCA), glass protective cover, LCD bonding
<ul> <li>5. High-strength glass processing technology</li> <li>A. Development of glass chemical strengthening formula</li> <li>B. Development of glass cleaner formulation</li> <li>C. Cutting technology after reinforced high-strength glass</li> </ul>	Manufacturing of the protective cover of electronic devices such as smart phones, GPS, and PMP: Strengthen the depth of glass, shorten the strengthening time, increase the activation energy of the surface of the glass protective cover (reduce the contact angle), improve the bonding strength of the module, and cut the depth after the glass is strengthened	Manufactureing process of cover glass: Glass touch grinding and polishing, cleaning polishing powder and crushing, chemical strengthening, cleaning and residual, and then decorative ink printing

Developed technology or product	Important Application	<b>Manufacturing Process</b>		
6. Full-screen resistive touch module	Smart phone with Windows system has a more beautiful and flexible surface compared with traditional resistance- type products	The optical adhesive is bonded to the ITO film, the double-sided adhesive is applied to the two layers of ITO film, the die-cut molding, and the flexible circuit board is pressed.		
7. OGS	Two-glass touch module is simplified into a single piece of glass to make thiner and lighter mobile phone and tablets	The large glass is made of the existing yellow light equipment and the manufacturing process of the touch circuit and the cut is completed, and the secondary reinforcement of the edge is performed.		
8. STOL	Two-glass touch module is simplified into a single piece of glass make thiner and lighter mobile phone and tablets	The large piece of glass is used as a substrate to arrange a single piece of six-sided tempered glass cover plate, and the touch circuit is formed according to the existing photolioghaphy equipment and the process. After completion, the single piece of six-sided reinforced touch glass is removed.		
9. Silver nanowire borderless touch module	Borderless design touch interface of hand-held device	Silver nanowire bendable signal line, curved surface lamination technology, higher wire width and line spacing resolution, up to 12/12um, and can hide the signal line to the back		
10. Writable silver nanowire touch module	In addition to the original finger-sensing capacitive touch sensor, the sensor has developed a more sensitive pen-writing sensor to meet the user's habits.	Low-resistance transparent silver nanowire for higher touch resolution, from centimeters (cm) to millimeters (mm)		
11. Manufacturing of high resolution, low visibility silve nanowire photolioghraphy process technology	Smart phones, tablets, e-Readers, etc.	Silver nanowire patterning process. Improve the silver nanowire spacing pattern through the photolioghraphy process, while matching the pattern design to reduce the visibility of the pattern		
12. Thin film capacitive silver nanowire touch module	Hand-held human touch interface with light and short requirements	The two-film touch module is upgraded into a single-layer double-sided silver nanowire projected capacitive touch sensor structure, and the thickness is reduced by more than 65%.		
13. Roll-to-roll single-sided silver nanowire film	Highly productive thin film capacitive touch module	Roll-to-roll sputtering, coating, printing, and patterning processes		

Developed technology or product	Important Application	<b>Manufacturing Process</b>		
		increase productivity and reduce production costs		
14. Ultra-thin ITO single- sided bridge type projected capacitive touch sensor	Hand-held devices such as smart phone and tablet computer, automobile application	Ultra-thin substrate coating, single- sided ITO coating, bridging, circuit structure etching, conductive metal coating, metal wire etching, protective layer coating and yellow light forming, sensor/glass substrate separation, ultra-thin sensor bonding		
15. Bonding technology of 3D glass and film touch sensor	Hand-held devices such as smart phone and tablet computer	Film touch sensor surface preforming, 3D shape/sensor automatically distinguishes alignment, vacuum automatic fit		
16. Multi-layer anti-reflective coating technology for 3D curved surface	VR, hand-held devices	3D surface sputtering, multi-layer optical film low reflectivity design		
17. Manufacturing technology of ITO narrow frame touch sensor	Hand-held devices such as smart phones and tablet, automobile applications	Narrow line and wide line distance design, yellow light process technology, shortened length Bonding pad pressing technology		
18. 3D modeling touch glass substrate optical grade glass protective cover	Protection cover for the touch glass of hand-held devices such as smart phones, tablet and notebooks, GPS and eBooks	2D planar profile cutting, 3D hot bend forming, 3D profile grinding and polishing, chemical strengthening compensation		
19. Bonding technology of artificial intelligence non-planar high precision bonding technology	Smart phone, GPS, and eBook	OCA automatic tear film system, high precision sensor placement system, glass cover plate and plastic sensor one-time alignment system		
20. Bonding process of large- size curved water glue bonding process	Vehicle surface display equipment, curved TV, etc.	For the display module of thick iron frame and curved surface, the dam glue and the edge banding glue are glued and solidified, and the flat or curved touch module is pressed on the curved display module, and then the glue, solidification and edge sealing are completed, and the curved surface is completed bonding.		
21. Super large sized automatic silver nanowire touch module	Interactive education whiteboard, electronic whiteboard of meeting room, public displayer	The full-surface surface-treated glass cover and the silver nanowire film are patterned to form a sensing layer that fits perfectly into the super large sized display. Coupled with a controller that supports 4 active pens.		
22. Ultra-thin and narrow- neck large-size touch display module	AIO, touch displayer	The highly wear-resistant Decoration film and the double- sided patterned sensing layer and the liquid crystal display glass are		

Developed technology or product	Important Application	Manufacturing Process			
		combined to form a fully-fitted touch display module.			
23. Touch film is folded back to the back of the display to achieve an ultranarrow bezel touch module	Tablet computer, notebook	After the touch module is attached to the display, the touch signal line is bent and attached to the back of the display.			
24. SNW touch module (support for pen writing)	Tablet, notebook	PET double-coated SNW, sensing circuit structure etching, conductive metal printing, molding, FPC Bonding, Display bonding			
25. Mass production of 3D printing products	Sporting goods, industrial components and medical goods	Develop and initiate automatic manufacturing process for 3D printing, and make the products go mass production			
26. Foldable touch module	Tablets and notebook PCs	Design the products with flexible touch module and flexible display in order to reduce the size of portable products			
27. Touch display module with new floating touch technology	POS, order machine, and public information display	Manufacturing of ITO/SNW touch sensor, and the adjustments of display module and software as well as firmware			
28. Double sided SNW capacitive film sensor touch module by laser printing	17"-65" industrial computer, meeting room display and blackboard	Taking advantage of SNW's lower resistance characteristic to enhance the touch sensor structures from two layers film sensor to double-sided film sensor structure. Hence, it could reduce the thickness more than 65% to save the cost. It is suitable for small-volume large variety production.			
29. Ultra-thin touchpad	Notebook PCs / Portable touchpad	Our self-developed pressure- sensing touchpad integrates force sensing, force feedback, and touchpad functions together, achieving thinness and competitive pricing			
30. Display for automotive	In-vehicle Smart Cabin Touch Display System Assembly (Dashboard, Center Console Display, or Entertainment System Application)	Integrated cover glass, embedded touch display solution, soft and hardware, and Magnesium Aluminum Alloy structural Components, with core process capability of coating, precision bonding and assembly, to develop and mass produce floating-type and functionally safe in-vehicle Display System			
31. Cholesteric Liquid Crystal Assembly	eBooks, public transportation vehicle stop displays, Outdoor	Through process improvements and the utilization of customized OCA (Optically Clear Adhesive) during high-precision vacuum bonding, we			

Developed technology or product	Important Application	Manufacturing Process
	advertising billboards etc.	achieve pixel-level alignment and vibrant color display effects
32. Glass/Film cover with Paper-emulating writing surface	Enote, eBooks	In the cover manufacturing process, we utilize special ink printing techniques or sandblasting/etching processes to create an anti-glare layer with a paper-like writing sensation. This achieves both high hardness and superior abrasion resistance for the cover surface while emulating the tactile feel of writing on paper.

# (4). Long-term and short-term business development plans

(1) Short-term business development plan

### 1. Operation Strategy

By concentrateing the resources to strengthen the relationship with important customers, the company cooperate with them to develop products with better function and sensitivity whose spec can better fulfill the requirements of customers' high-end products. In addition to touch products, the company continues to actively invest in research and development in other areas, working closely with customers and technology partners to jointly develop products that meet consumer needs and are competitively priced.

# 2. Manufacturing Strategy

Continue improving the automation of the production line, optimize manufacturing processes, enhance the yield rate, reduce production costs, and enhance the competitiveness by optimizing economic scale and manufacturing process, maintaining the leading position in the touch industry. Meanwhile, the company actively explores and diversifies into other product categories.

# 3. Marketing Strategy

In response to market trends, the company constantly reviews existing products and future development trends. In addition to continuous collaboration with customers in developing new products to align with market demands, the company is also committed to providing more customized and comprehensive solutions to enhance its value and proactively enter high-growth product supply chains.

# (2) Long-term business development plan

# 1. Operation Strategy

As a leading technology company, TPK has devoted itself to the new material and innovative manufacturing process for long time, and to ensure the leading position in the touch industry with patent portfolio policy. TPK not only provids the merchandise with extraordinary quality and competitive price, but also have a mid to long term goals to aims to leverage insights into industry trends to seek transformation opportunities and pursue more diversified business developments. This will help solidify the company's market position in the technology industry.

# 2. Manufacturing Strategy

Continue to strengthen the core technologies, such as production management, manufacturing process development, product design and equipment development, so that the yield rate, efficiency and productivity could be further enhanced to reduce the production costs and maintain the competitiveness of the company. In the mean time, we also make efforts to look for the opportunity to strategically align with major material suppliers to enjoy the advantage in terms of cost.

# 3. Marketing Strategy

For our touch product offerings, leveraging our company's advantage in cutting-edge market technologies, we provide customers with leading-edge and diversified touch solutions. This strengthens our cooperative relationships with customers, involving us from the early stages of new product design to accurately grasp market trends. Additionally, as we proactively transform and invest in other new products, we utilize our company's long-accumulated rich mass production manufacturing experience. In the future, we will continue to assist customers in timely commercialization and mass production of leading technologies, allowing us to position ourselves ahead in emerging industries. Our company's long-term core strategies center around customer diversification, technology diversification, and product diversification - a three-pronged approach to solidifying our corporate constitution.

# 2. Market and Business Overview

#### (1). Market Analysis

1. Sales breakdown by area

Unit: NT\$ thousands

Amaa	20	22	2023		
Area	Amount	(%)	Amount	(%)	
Asia	41,088,287	42.28	32,369,500	46.33	
America	47,682,899	49.07	31,741,644	45.44	
Other	8,409,783	8.65	5,750,087	8.23	
Total	97,180,969	100.00	69,861,231	100.00	

### 2. Future supply and demand of the market and the market growth

After going through industry consolidation and natural market selection in recent years, the remaining touch industry players should now have a common understanding. In the future, a more conservative strategy will be adopted when it comes to building new production capacities. This should prevent a situation where companies aggressively expand capacities, leading to oversupply in the market.

In terms of market demand, for mobile devices, growth has slowed due to the saturating end consumer electronics market. Brand vendors are launching new products with diminishing differences in appearance and functionality compared to older models, resulting in longer replacement cycles for consumer electronics. Additionally, impacted by the COVID-19 pandemic, the trend of working from home

and online learning led to a surge in tablet and laptop shipments during that period. However, this stay-at-home economy demand has eased. As for new applications like large tablets and extra-large interactive electronic whiteboards, although the overall market size is relatively small, the demand remains stable.

Looking ahead, although the market demand for existing products is experiencing a slowdown in growth, there is still a steady demand for product replacement. Additionally, the demand for touch applications in large-sized products and automotive applications continues to increase. Therefore, we believe that the overall touch industry will maintain a modest growth.

# 3. Competitive strength

- (1) Pioneer of transparent projected capacitive technology.
- (2) Professional touch manufacturer that is flexible to satisfy the demands of main customers with many upstream component suppliers.
- (3) Own self-developed, high-efficiency design production process and equipment.
- (4) Assist clients to mass produce new products with innovative technology since we have plenty of experiences in mass production and supply chain management.
- (5) Long-term development partnerships with world-class customers.
- (6) Actively strive to develop innovative touch materials and understand critical patent technology.

# 4. Strengths and weaknesses of development

### (1) Strengths

1. Leading manufacture of projected capacitive touch technology with high customer independence

The company is the leading manufacturer of projected capacitive touch technology, and we cooperate with customers to develop updated products that sync with market technology upgrades and evolving design trends. Since this company is able to deal with the raw materials, and produce touch sensors and cover glasses, and possesses the ability to laminate the cover glasses and LCD panels. The company has thus become an important partner for customers, and to provide customers with touch sensors, touch modules and touch displays with integrating the process of LCM.

2. Projected capacitive touch function has become standard, and the terminal application market continues to expand

Through more than ten years of development, the projected capacitive screen has transferred from smart phones and PMPs into the applications of other mobile devices, such as e-readers and tablets, and the projected capacitive touch function has gradually become an expected feature of electronics. Meanwhile, more electronics, regardless of what they used before, have begun to adopt this technology; therefore, automobile screens and super large sized whiteboards used for commerce or education are the potential markets.

3. The ability to streamline the manufacturing and to self-develop and design the equipments with high efficiency This company independently develops the projected capacitive touch manufacturing process and is a pioneer of transparent glass projected capacitive touch technology with the ability to develop core equipment and provide efficient manufacturing technology with great efficiency and high yield rate. Furthermore, it adjusts process procedures according to customers' special product specifications and can provide high-quality products commercialized in a timely manner.

### (2) Weaknesses

# 1. High market concentration

Projected capacitive technology is mainly adopted in smart phones and tablets, so the market growth of smart phones and tablets will directly impact the company's operations.

#### Countermeasures:

Actively expand other market applications

Develop new applications: Automobile market, e-readers, wearable electronics, PND, DSC, remote controls, gaming machines, digital cameras, notebooks, 2-in-1 PCs, All-in-One PCs, POS, and KIOSK to expand end product applications and thus reduce market concentration.

# 2. High customer concentration

Transparent projected capacitive glass touch solution is an innovative application for electronic products, so this company has decided to cooperate with the leading brand at the initial stage, thus the company has a higher customer concentration.

## Countermeasures:

In addition to cooperation with major customers and suppliers to develop advanced touch technologies and product structures, the company shall also strive to find new customers with high growing potential.

3. Many big manufacturers are beginning to participate in potential touch applications

Since the growth rate of the end market has slowed down, some manufacturers has started to integrate their business to up/down –stream of the supply chain in order to provide customers with more services..

#### Countermeasures:

- A. Continue to shorten the time-to-market and increase the yield rate
  - Our company has rich experience in mass production and equipment development. Therefore, we can quickly reach the yield rate for mass production of new products and satisfy customer's requirement of specifications and are praised and trusted by our customers. Our company will continue researching mass production procedures with the hope of providing better and more reliable products.
- B. Expand the scope of product content and services

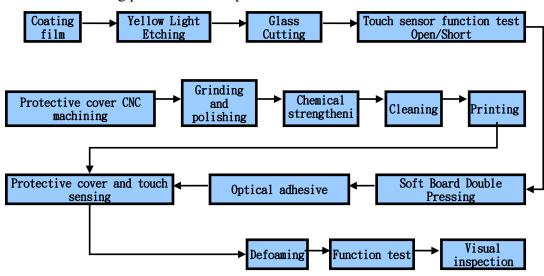
To fulfill the customers' requests, the company not only increase the quality of their services, but also expand the choices of solutions and services. Meanwhile, the company could help the customers to enhance the production efficiency and increase the company's value-add of their products or services, so that the relationship with the customers could be closer.

# (2). Purpose and production process of main products

1. Important purpose of major products

Company's products major apply in high-end smart phone, GPS, eReader, PMP, tablets, notebooks and AIO PC etc..

# 2. Manufacturing process of main products



# (3). Major Raw Materials Supply

Raw Materials consist of Glass Substrate, Metal Sputtering Targets, FPC, Cover/Raw Glass, Conductive Adhesives, Protective Film, Optical Clear Adhesive, LCD/LCM and Touch Sensor, etc.

Major Raw Materials	Major Suppliers	Market Status
FPC	Company B, Mektec, Garuda	Stable
LCD / LCM Company D, Dell, HP		Stable
Cover / Raw Glass Company B, Corning		Stable
EPD	Wikiwand	Stable

# (4). Suppliers / Customers that Accounted for at Least 10% of Annual Consolidated Net Procurement / Net Revenue:

A list of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the recent 2 years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart

is an individual person who is not a related party, it may use a code in place of the actual name.

# 1. Suppliers in 2022 and 2023

Unit: NT\$ thousands

	2022				2023			
Item	Supplier	Procurement Amount	As % of 2022 Total Net Procurement	Relation to TPK	Supplier	Procurement Amount	As % of 2023 Total Net Procurement	Relation to TPK
1	Company B	25,846,119	32.71	None	Company B	15,478,378	28.00	None
2	Company D	13,404,663	16.97	None	Company D	4,791,577	8.67	None
3	Others	39,751,318	50.32	None	Others	35,009,185	63.33	None
	Total Net Procurement	79,002,100	100.00		Total Net Procurement	55,279,140	100.00	

Reason for Increase or Decrease: Due to revenue declining and production transition recession in 2023, the purchase was decreased from Company B and Company D decreased. In the case of touch products application transformation, the purchase proportion was decreased from Company B and Company D but increased from Others.

# 2. Customers in 2022 and 2023

Unit: NT\$ thousands

		2022			2023			
Item	Customer	Net Revenue	As % of 2022 Total Net Revenue	Relation to TPK	Customer	Net Revenue	As % of 2023 Total Net Revenue	Relation to TPK
1	Company B	39,556,075	40.70	None	Company B	24,245,931	34.71	None
2	Company C	10,567,464	10.88	None	Company E	7,535,310	10.79	None
3	Company E	8,612,375	8.86	None	Company F	7,379,230	10.56	None
4	Company F	7,928,791	8.16	None	Company C	6,409,237	9.17	None
5	Others	30,516,264	31.40	None	Others	24,291,521	34.77	None
	Total Net Revenue	97,180,969	100.00		Total Net Revenue	69,861,231	100.00	

Reason for Increase or Decrease: In the backdrop of global gloomy economy for 2023, revenues declined by the persistent weak global PC demand and smartphone product transition. In the case of touch products application transformation, the sales proportion was decreased from Company B and Company D but increased from Company E, Company F and Others.

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#### (5). Indication of Production Volume in 2022 and 2023

Unit: Thousand Pieces/NT\$ thousands

		2022			2023		
Major Products	Capacity	Output	Amount	Capacity	Output	Amount	
Touch Modules	157,095	80,798	63,396,906	134,506	59,916	49,287,022	
Others	11,092	3,978	2,829,018	9,743	4,699	3,854,387	
Total	168,187	84,776	66,225,924	144,249	64,615	53,141,409	

Reason for Increase or Decrease: The decrease of capacity, output, and amount in 2023 compared to 2022 was primarily caused by the global gloomy economy and challenging transition for new businesses of the Company.

- Note 1: Capacity includes the productivity by current equipments under normal operation after measuring necessary shutdown and holidays.
- Note 2: Combined the capacity units and described as supplementary information by the production substitutability of products.

#### (6). Indication of Volume of Units Sold in 2022 and 2023

Unit: Thousand Pieces /NT\$ thousands

		2022				2023			
Major	Domestic		Export		Domestic		Export		
Products	Unit	Net Revenue	Unit	Net Revenue Unit		Net Revenue	Unit	Net Revenue	
Touch Modules	384	728,061	84,439	87,633,969	192	742,280	57,137	62,241,937	
Others		ı	4,872	8,818,939		ı	3,106	6,877,014	
Total	384	728,061	89,311	96,452,908	192	742,280	60,243	69,118,951	

Reason for Increase or Decrease: The decrease of unit and net revenue in 2023 compared to 2022 were primarily caused by the global gloomy economy and challenging transition for new businesses of the Company.

#### 3. Employee information from past two years to this report's printing

	Year	2022	2023	This year up to March 20, 2024
	Manager	370	382	339
Number of	R&D Personnel	545	513	476
employees	General employee	13,966	11,849	10,582
	Total	14,881	12,744	11,397
Average age		31.83	33.48	34.02
Average Senio	rity	4.11	4.88	5.20
	Doctor	0.11%	0.09%	0.08%
Edmostional	Master	1.44%	1.66%	1.66%
Educational	College	22.77%	22.76%	23.50%
background	High School	24.75%	25.92%	25.07%
	Below High School	50.93%	49.57%	49.69%

### 4. Information of environment-oriented expenditures:

(1) In the most recent year and up to the date of publication of the annual report, the losses suffered due to pollution of the environment (including compensation and environmental

protection audit results that violate environmental protection laws and regulations, the date of punishment, the font size of the punishment, the provisions of the statute violation, the content of the statute violation, and the punishment Content): None.

(2) Estimated amount and corresponding measures that may occur at present and in the future: Comply with government regulations and fulfill environmental protection responsibilities, and pay according to the actual situation.

#### 5. Labor/Management relations:

#### (1) Execution condition of employee welfare

#### 1. Employee welfare measures

This company also provides group insurance and annual health check for employees in addition to providing basic insurance according to the relevant government regulations of each subsidiary. In addition, the company's employee welfare measures include wedding and funeral support, employee travel, bonuses, employee dividends and subscriptions, and providing employees with various training and training opportunities to enhance their vision, work efficiency, and what's more, long-term bonus or prize is set.

#### 2. Education and training

In order to improve employee quality and skills, strengthen work efficiency and quality, we irregularly carry out general training for all employees or professional skill training for special employees with the hope of cultivating talents and improving operation performance which can achieve the objective for sustainable operation.

#### 3. Retirement system

Subsidiaries of this Company in Mainland China have an employee retirement plan according to the Labor Standards Law, and a retirement reserve is provided at 2% of the total salary paid based on Storage and support - old system. With effect from the implementation of Mainland China Labor Pensions Regulations (hereinafter referred to as the "New System") from July 1<sup>st</sup>, 2005, the employees who originally applied the method should choose the applicable service years after the new system or the new employees who are employed after the new system. The service years are changed to determine the allocation system. The pension payment is paid by the company on the monthly salary of 6%, and is stored in the individual account of the labor pension. Subsidiaries outside the Mainland China are handled according to relevant local laws and regulations.

In addition, after the retirement insurance for employees of enterprises in China, the Company pays endowment insurance for employees according to local "Regulations on the Basic Endowment Insurance for Enterprise Employees in Xiamen". According to the local social insurance operation method, the social insurance (including medical care, maternity, pension, work injury, unemployment). After the company handles the social insurance increase procedures for employees, it will begin to fulfill the obligation to pay pension insurance. The rates and standards for insurance payment are as follows:

Rate of contribution Items	People in this city	(Xiamen Household)	People from Outsiders (not Xiamen Household)		
	Individual	Enterprise	Individual	Unit	
Endowment Insurance	8.0%	16%	8.0%	16%	

Unemployment Insurance	0.5%	0.5%	_	0.5%
Employment Injury Insurance	_	0.7%	_	0.7%
Medical Insurance	2.0%	6.5%	2.0%	6.5%
Birth Insurance	_	0.7%	_	0.7%
Social insurance base	of the previous year is lower than 60% or urban areas in the p the payment base is previous year canno all employed person 2. Pension insurance salary of individual be lower than the government, and shemployees in the propayment base is based on the propayment based on the prop	for individual employer the average salary of revious year, the payns set at 300%. If the t be calculated, the payns in the province and are and unemployment is employees in the previous lower limit of the payn all not be higher than to or the average mon shall not be lower the	nce are based on the aves. If the employee's avall employed persons in the property and individual's average myment base is based on all urban areas in the property area as the payment base announced as year; work-related in the property work-related in the minimum wages.	rerage monthly salary in the province and all. If it exceeds 300%, nonthly salary of the the average salary of evious year. the average monthly int base, and shall not ed by the provincial e salary of all urban aljuries The insurance dual employee in the

Note: Blank means individual shall not undertake.

Employees can enjoy the basic pension insurance if they reach the statutory retirement age, and the accumulated payment period (including the deemed payment period) is 15 years. Basic pension insurance is made of:

- (1) Insurance before June 30, 1997: basic pension + personal account pension + transitional pension + special zone subsidy.
- (2) Insurance after July 1<sup>st</sup>, 1997: basic pension + personal account pension + special zone subsidy, description:
  - Basic pension: (the average monthly salary of in-service employees in the city in the previous year
     + the individual indexed average payment salary) ÷ 2 × personal payment years × 1% at the time of
     personal retirement.
  - 2. Personal account pension: the accumulated balance in the individual account at the time of retirement ÷ the corresponding number of payment months according to the personal retirement age.
  - 3. Transitional pension: [2005 average monthly salary of in-service employees in the city × (social average payment index + 0.25) × 1.3% of the years considered as payment before December 1988] + [2005 average monthly salary of in-service employees in the city × (personal average payment index from January 1989 to June 1997 + 0.25) × 1.3% of the actual payment years from January 1989 to June 1997].
  - 4. Special zone subsidy: NTD 30.

#### 4. Labor-management agreement condition

The labor-management relation of this company is harmonious; this company respects the opinions of every employee, and employees can reflect opinions through meetings, emails, or letter box, and the communication of labor-management is free.

5. Measures to maintain employee rights and benefits
In order to maintain employee rights and benefits, except for the actual implementation of

- relative laws, top management will improve software and hardware devices required by employees.
- (2) In the most recent year and up to the date of publication of the annual report, the company suffered losses due to labor disputes (including labor inspection results that violated the Labor Standards Law, and the date of punishment, the font size of the punishment, the provisions of the regulations, the content of the regulations and the content of the punishment should be listed: None.
- (3) Present and future possible estimated amount and countermeasures: None.

#### 6. Cyber security management:

- (1).Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:
- 1. The cyber security risk management framework

The information department of the company is the main responsible unit for information security. At present, it has established information security supervisors and information security personnel, and has applied for membership of the Taiwan Computer Network Crisis Handling and Coordination Center (TWCERT/CC). Through this alliance, the company can timely Effective access to information security information.

#### 2. The cyber security policies

- In order to strengthen the company's information security and prevent the leakage of confidential information and external information security threats, the company has formulated relevant information security management systems and measures to ensure the security of the company's information assets.
- 3. Concrete management programs and investments in resources for cyber security management. In order to protect the security of information assets of the company and customers, the company follows the ISO 27001 international information security standard to build an information security management system. The region has established an information security management system and has passed the "ISO 27001:2013 Information Security Management System" international standard certification, which is valid from August 22, 2021 to August 21, 2024.
  - In terms of information security knowledge promotion, in order to strengthen employees' information security knowledge, the company not only conducts information security promotion to each employee from time to time through computer screen savers, but also regularly uses the online education system to implement "information security education". Training" and created an information security promotion website to strengthen employees' information security concepts. In addition to general information security education and promotion, the IT department regularly conducts professional information security education and training for specific IT personnel every month to strengthen the information security skills of IT personnel. Reduce the risks caused by general and professional employees' insufficient information security knowledge.
- (2).List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No significant cyber security incidents.

## 7. Important Agreement:

Item No.	Agreement Property	ty Client Agreement Term		Main Contents Restric	
1	Development and supply (Master Development and Supply Agreement)	Company B	From December 15, 2005 to the end of agreement	Our company will provide development service and sell products to company B to help company B to develop its terminal products.	Confidentiality obligation

### **VI. Financial Status**

- 1. Condensed Balance Sheets, Statements of Comprehensive Income, Name of CPA and Auditors' Opinions for the Most Recent Five Years
  - (1) Condensed Balance Sheet

Unit: NT\$ thousands

	Year	Fi	ancial Results	s from 2019 to 2	2023 (Note 1	)
Item		2019	2020	2021	2022	2023
Current As	sets	51,661,338	54,113,215	52,715,802	59,833,165	66,987,824
Property, P Equipment	lant and	25,417,590	19,997,310	18,026,287	16,851,811	10,893,313
Intangible A	Assets	95,834	70,168	65,935	103,675	88,256
Other Asset	ts	8,318,355	9,440,335	6,977,406	6,811,625	9,853,934
Total Assets	S	85,493,117	83,621,028	77,785,430	83,600,276	87,823,327
Current	<b>Before Distribution</b>	33,534,975	29,034,583	25,964,847	28,622,687	30,538,004
Liabilities	After Distribution	33,534,975	29,441,247	26,574,843	28,826,019	30,538,004 (None 2)
Noncurrent	Liabilities	15,789,432	17,780,964	16,434,895	17,605,762	20,338,629
Total	<b>Before Distribution</b>	49,324,407	46,815,547	42,399,742	46,228,449	50,876,633
Liabilities	After Distribution	49,324,407	47,222,211	43,009,738	46,431,781	50,876,633 (None 2)
Equity Attr Shareholde	ibutable to rs of the Parent	36,168,710	36,679,831	35,234,902	37,051,960	36,652,588
Capital Sto	ck	4,066,638	4,066,638	4,066,638	4,066,638	4,066,638
Capital Sur	plus	28,162,570	28,165,226	28,165,226	28,231,125	28,234,810
Retained	Before Distribution	2,559,058	3,591,068	4,582,940	4,518,713	4,525,033
Earnings	After Distribution	2,559,058	3,184,404	3,972,944	4,315,381	4,525,033 (None 2)
Other Equi	ty	1,380,444	856,899	(1,579,902)	235,484	(173,893)
Treasury Shares		_	_	_	_	_
Non-Contro	olling Interests	_	125,650	150,786	319,867	294,106
Total	Before Distribution	36,168,710	36,805,481	35,385,688	37,371,827	36,946,694
Equity	After Distribution	36,168,710	36,398,817	34,775,692	37,168,495	36,946,694 (None 2)

Note 1: The financial statements for 2019 to 2023 were audited by CPA.

Note 2: Pending the General Meeting of Shareholders' approval.

### (2) Condensed Statement of Comprehensive Income

Unit: NT\$ thousands (Except EPS: NT\$)

Year	Fi	iancial Results	s from 2019 to	2023 (Note)	١
Item	2019	2020	2021	2022	2023
Net Revenue	136,606,695	114,583,199	103,088,745	97,180,969	69,861,231
Gross Profit	4,739,879	4,865,586	3,768,416	4,114,477	3,230,288
<b>Income from Operations</b>	124,127	949,689	313,927	549,840	4,783
Non-operating Income and Expenses	655,975	861,580	1,161,205	710,023	588,058
<b>Income before Income Tax</b>	780,102	1,811,269	1,475,132	1,259,863	592,841
Net Income	302,739	1,034,373	1,097,447	581,696	226,086
Other Comprehensive Income (Loss) for the Year, Net of Income Tax	(869,311)	(527,314)	(2,110,576)	1,837,517	(405,269)
Total Comprehensive Income (Loss) for the Year	(566,572)	507,059	(1,013,129)	2,419,213	(179,183)
Net Income Attributable to Shareholders of the Parent	208,882	1,031,323	1,068,606	543,738	208,390
Net Income Attributable to Non-controlling Interests	93,857	3,050	28,841	37,958	17,696
Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent	(670,831)	508,465	(1,038,265)	2,361,155	(199,725)
Total Comprehensive Income (Loss) Attributable to Non-controlling Interests	104,259	(1,406)	25,136	58,058	20,542
Diluted Earnings Per Share	0.51	2.53	2.63	1.34	0.51

Note: The financial statements for 2019 to 2023 were audited by CPA.

### (3) Name of CPA and Auditors' Opinions from 2019 to 2023

Year	CPA	Accounting Firm	Audit Opinion
2019	Tzu-Jung Kuo Pi-Yu Chuang (Note)	Deloitte & Touche	An Unqualified Opinion
2020	Tzu-Jung Kuo Pi-Yu Chuang	Deloitte & Touche	An Unqualified Opinion
2021	Pi-Yu Chuang Tzu-Jung Kuo	Deloitte & Touche	An Unqualified Opinion
2022	Pi-Yu Chuang Tzu-Jung Kuo	Deloitte & Touche	An Unqualified Opinion
2023	Pi-Yu Chuang Chun-Hung Chen (Note)	Deloitte & Touche	An Unqualified Opinion

Note: Regulatory requirements on rotation in Deloitte & Touche.

## 2. Financial Analysis for the Most Recent Fiscal Years

	Year (Note 1)	Fia	ncial Anal	ysis from	2019 to 20	)23
Item (Note 3)		2019	2020	2021	2022	2023
Capital	Debts Ratio	57.69	55.99	54.51	55.30	57.93
Structure Analysis (%)	Long-term Fund to Property, Plant and Equipment Ratio	204.42	272.97	287.47	326.24	525.88
	Current Ratio	154.05	186.38	203.03	209.04	219.36
Liquidity	Quick Ratio	129.23	156.74	160.27	173.80	194.77
Analysis (%)	Times Interest Earned (Times) (Note 2)	1.85	3.40	3.30	2.46	1.40
	Average Collection Turnover (Times)	11.70	8.93	8.19	7.02	6.12
	<b>Days Sales Outstanding</b>	31	41	45	52	60
	Average Inventory Turnover (Times) 13.19 12.67 9.90	8.76	7.80			
Performance	Average Payment Turnover (Times)	6.99	6.70	9.90 8.76 7.10 8.18 37 42 5.42 5.57	7.02	
,	Average Inventory Turnover Days	28	29		47	
	Property, Plant and Equipment Turnover (Times)	4.66	5.05	5.42	54.51       55.30         87.47       326.24         03.03       209.04         60.27       173.80         3.30       2.46         8.19       7.02         45       52         9.90       8.76         7.10       8.18         37       42         5.42       5.57         1.28       1.20         1.95       1.21         3.04       1.60         36.27       30.98         1.06       0.60         2.63       1.34         5.84       15.94         1.52       1.08         1.10       3.74         16.58       8.58	5.04
	Total Assets Turnover (Times)	1.61	1.36	1.28		0.82
Structure Analysis (%)  Liquidity Analysis (%)  Operating Performance Analysis  Profitability Analysis  Cash Flow	Return on Total Assets (%) (Note 2)	0.78	1.73	1.95	1.21	0.92
	Return on Equity (%) (Note 2)	0.82	2.83	3.04	1.60	0.61
Profitability Analysis	Pre-tax Income to Paid-in Capital Ratio (%) (Note 2)	19.18	44.54	36.27	30.98	14.58
	Net Margin (%) (Note 2)	0.22	0.90	1.06	0.60	0.32
	Diluted Earnings Per Share (NT\$)	0.51	2.53	2.63	1.34	0.51
Capital   Structure   Analysis (%)   Cur     Liquidity   Qui     Analysis (%)   Tin (No     Ave (Tin     Day     Ave (Tin     Day	Cash Flow Ratio (%)	22.76	22.57	5.84	15.94	35.89
	Cash Flow Adequacy Ratio (%)	1.60	1.99	1.52	1.08	2.38
· · · · · · · · · · · · · · · · · · ·	Cash Flow Reinvestment Ratio (%)	6.51	5.78	1.10	3.74	10.87
Lovovoc	<b>Operating Leverage</b>	64.20	7.51	16.58	8.58	827.27
Leverage	Financial Leverage	(0.16)	4.88	(0.96)	(1.77)	-

Note 1: The financial statements for 2019 to 2023 were audited by CPA.

Note 2: The calculation of financial ratio is based on the consolidated net income and loss.

Note 3: The calculation formulas of financial analysis are listed as follows:

- 1. Capital Structure Analysis
  - (1) Debt Ratio = Total Liabilities / Total Assets
  - (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
- 2. Liquidity Analysis
  - (1) Current Ratio = Current Assets / Current Liabilities
  - (2) Quick Ratio = (Current Assets Inventories Prepaid Expenses) / Current Liabilities
  - (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
- 3. Operating Performance Analysis
  - (1) Average Collection Turnover = Net Sales / Average Trade Receivables
  - (2) Days Sales Outstanding = 365 / Average Collection Turnover
  - (3) Average Inventory Turnover = Cost of Sales / Average Inventory
  - (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
  - (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
  - (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
  - (7) Total Assets Turnover=Net Sales / Average Total Assets
- 4. Profitability Analysis
  - (1) Return on Total Assets = [Net Income + Interest Expenses × (1 Effective Tax Rate)] / Average Total Assets
  - (2) Return on Equity=Net Income / Average Equity
  - (3) Net Margin = Net Income / Net Sales
  - (4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding
- 5. Cash Flow
  - (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
  - (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividends
  - (3) Cash Flow Reinvestment Ratio=(Cash Provided by Operating Activities—Cash Dividends)/(Gross Property, Plant and Equipment+Long-term Investments+Other Noncurrent Assets+Working Capital)
- 6. Leverage:
  - (1) Operating Leverage = (Net Sales Variable Cost and Expense) / Income from Operations
  - (2) Financial Leverage = Income from Operations / (Income from Operations Interest Expenses)

#### Analysis of deviation of 2023 vs. 2022 over 20%:

- 1. Long-term Fund to Property, Plant and Equipment Ratio increased by 61% mainly due to a decrease in net worth of Property, Plant and Equipment by the reclassification of plants as investment properties and the normal depreciation of equipments recognized.
- 2. Times Interest Earned decreased by 43% mainly due to higher interest expense by bank loans increasing.
- 3. Total Assets Turnover and Return on Total Assets decreased by 32% and 24% respectively, mainly due to lower net income caused by revenue declining and higher total assets caused by time deposits increasing.
- 4. Return on Equity decreased by 62% mainly due to lower net income and lower total equity caused by a decrease in other equity.
- 5. Pre-tax Income to Paid-in Capital Ratio, Net Margin and Diluted Earnings Per Share decreased by 53%, 47% and 62% respectively, mainly due to lower net income caused by revenue declining.
- 6. Cash Flow Ratio, Cash Flow Adequacy Ratio and Cash Flow Reinvestment Ratio increased by 125%, 220% and 191% respectively, mainly due to an increase in net cash generated from operating activities.
- 7. Operating leverage increased by 954% mainly due to lower operating income caused by revenue declining.
- 8. Financial Leverage increased by 100% mainly due to lower operating income and higher interest expense by bank loans increasing.

3. Audit Committee's Review Report for the Most Recent Year

**Audit Committee's Review Report** 

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements,

and proposal for allocation of earnings. The Business Report, Financial Statements, and earnings

allocation proposal have been reviewed and determined to be correct and accurate by the Audit

Committee members of TPK Holding Co., Ltd.. According to relevant requirements of the Securities

and Exchange Act, we hereby submit this report.

TPK Holding Co., Ltd.

Chairman of Audit Committee: Ming-Jeng Weng

March 7, 2024

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4. Financial Statement for the Most Recent Fiscal Year, Including An Auditor's Report Prepared by A Certified Public Accountant, and 2-Year Comparative Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Chart, and Any Related Footnotes or Attached Appendices.

Please refer to Annual Report page 174.

- 5. A Parent Company Oonly Financial Statement for the Most Recent Fiscal Year, Certified by a CPA, But Not Including the Statements of Major Accounting Items: Not Applicable.
- 6. Financial Difficulties to TPK or Its Affiliates:

TPK's affiliate, Cando Corporation ("Cando") suffered from a lack of new funding, falling revenue, and financial difficulty, and so Cando declared bankruptcy on July 21, 2016, and the court announced its bankruptcy on January 17, 2018. As a result, the impairment loss was recognized at the end of the calendar year 2015, the carrying amount of the investment in Cando was zero. The bankruptcy declaration was not able to be significant influence over TPK.

# VII.Review and Analysis of Financial Status and Performance, and Risk Assessment

### 1. Financial Status

Comparison to Financial Status

Unit: NT\$ thousands

T	2022	2022	Deviat	Deviation		
Item	2022	2023	Difference	(%)		
<b>Current Assets</b>	59,833,165	66,987,824	7,154,659	11.96		
Property, Plant and Equipment	16,851,811	10,893,313	(5,958,498)	(35.36)		
Intangible Assets	103,675	88,256	(15,419)	(14.87)		
Other Assets	6,811,625	9,853,934	3,042,309	44.66		
Total Assets	83,600,276	87,823,327	4,223,051	5.05		
<b>Current Liabilities</b>	28,622,687	30,538,004	1,915,317	6.69		
Noncurrent Liabilities	17,605,762	20,338,629	2,732,867	15.52		
Total Liabilities	46,228,449	50,876,633	4,648,184	10.05		
Equity Attributable to Shareholders of the Parent	37,051,960	36,652,588	(399,372)	(1.08)		
Capital Stock	4,066,638	4,066,638	_	_		
Capital Surplus	28,231,125	28,234,810	3,685	0.01		
Retained Earnings	4,518,713	4,525,033	6,320	0.14		
Other Equity	235,484	(173,893)	(409,377)	(173.84)		
<b>Non-Controlling Interests</b>	319,867	294,106	(25,761)	(8.05)		
<b>Total Equity</b>	37,371,827	36,946,694	(425,133)	(1.14)		

Analysis of Deviation over 20%

<sup>1.</sup> Decreased in Property, Plant and Equipment was mainly due to the reclassification of plants as investment properties and the normal depreciation of equipments recognized.

<sup>2.</sup> Increased in Other Assets was mainly due to the reclassification of plants as investment properties.

<sup>3.</sup> Decrease in Other Equity was mainly due to a decrease in exchange differences on translating foreign operations and an increase in unrealized valuation loss on financial assets at FVTOCI.

### 2. Financial Performance

Analysis to Operating Results

Unit: NT\$ thousands

<b>T</b> /	2022	2022	Deviation		
Item	2022	2023	Difference	(%)	
Net Revenue	97,180,969	69,861,231	(27,319,738)	(28.11)	
Gross Profit	4,114,477	3,230,288	(884,189)	(21.49)	
<b>Income from Operations</b>	549,840	4,783	(545,057)	(99.13)	
Non-operating Income and Expenses	710,023	588,058	(121,965)	(17.18)	
<b>Income before Income Tax</b>	1,259,863	592,841	(667,022)	(52.94)	
Net Income	581,696	226,086	(355,610)	(61.13)	
Total Net Income Attributable to Shareholders of the Parent	543,738	208,390	(335,348)	(61.67)	
Total Net income Attributable to Non-Controlling Interests	37,958	17,696	(20,262)	(53.38)	
Diluted Earnings Per Share	1.34	0.51	(0.83)	(61.94)	

Analysis of Deviation over 20%

- 1. Decrease in Net Revenue was mainly due to the global gloomy economy and challenging transition for new businesses of the Company.
- 2. Decrease in Gross Profit, Income from Operations, Income before Income Tax, Net Income, Total Net Income Attributable to Shareholders of the Parent and Diluted Earnings Per Share were mainly due to reduced business scale, changes in product and customer mix.
- 3. Decrease in Total Net Income Attributable to Non-Controlling Interests was mainly due to a decrease in profit attributable to non-controlling interests.

#### 3. Cash Flow

(1) Analysis of Cash Flow Changes:

Unit: NT\$ thousands; %

Year Item	2022	2023	Difference	(%)
<b>Operating Activities</b>	4,562,127	10,959,186	6,397,059	140.22
Investing Activities	(6,688,759)	(3,880,211)	2,808,548	41.99
Financing Activities	3,079,761	3,116,282	36,521	1.19

Analysis

- 1. Increase in net cash generated from operating activities was mainly due to an increase in trade receivables factoring.
- 2. Decrease in net cash used in investing activities was mainly due to a decrease in financial assets at amortized cost.
- (2) Liquidity Analysis for the Coming Year and Remedial Actions for Liquidity Shortfall:

Unit: NT\$ thousands

Cash Balance	Net Cash Flow from	Cash used in	Estimate Cash	•	r Liquidity rtfall
12/31/2023	Operating Activities in 2024	2024	Balance 12/31/2024	Investment Plan	Financing Plan
33,941,402	675,680	9,171,820	25,445,262	None	None

- 1. Analysis of Cash Flow in 2024
  - (1) Operating Activities: Mainly results from operation.
  - (2) Investing Activities: Primarily for capital expenditures.
  - (3) Financing Activities: Primarily for bank borrowings reimbursement.
- 2. Remedial Actions for Liquidity Shortfall: None.
- 4. Effect upon Financial Operations of Major Capital Expenditures from Recent Years
  - (1) Excution Status of Capital Expenditures and Sources of Funding:

Unit: NT\$ thousands

Project	Source of Funding	Actual or Planned	Total	Capital Exp	•
		<b>Completion Date</b>	Amount	2024	2025
Equipments	Cash flows generated from operations and bank loans	2024 Q4	1,448,000	1,231,000	217,000

(2) Expected Benefit from Capital Expenditures: Efficiency Improving by new manufacturing process and production line automation.

## 5. Reinvestment Policies, Main Reasons for Profit or Loss and Improvement Plans from Recent Year, and Investment Plans for the Coming Year

#### (1) Reinvestment Policies

TPK's reinvestment policy is focused on the investment of main and relative business of diversification in long-term strategic plan, supplemented by short to medium term investments and it is implemented by the departments concerned in accordance with "investment cycle" of internal control systems and "Procedures for the Acquisition and Disposal of Assets" that were approved by the Audit Committee, Board of Directors or General Meeting of Shareholders.

#### (2) Main Reasons for Profit or Loss and Improvement Plans from Recent Year

Based on the consolidated financial statements of TPK for 2023, the equity method based investment business is on UBCO Holdings Limited (UBCO) which was established in New Zealand in 2015, with an investment loss recognized in 2023 was NT\$155,574 thousand. UBCO engaged in development and sale of electric utility motorbikes and its batteries. Due to the limited sales volume to UBCO in 2023, the less competitiveness in purchase bargaining power as result of lower gross profit from higher component costs. Looking ahead, UBCO plans to adjust its sales market positioning to focus on B2B sales to increase volume and actively control costs, expecting to yield benefits from alternative procurement strategies and economies of scale.

#### (3) Investment Plans for the Coming Year:

In recent years, TPK has been actively transforming. In addition to the capital expenditures for operational needs and capacity establishment from customer demands for the coming year, TPK will also cooperate with the medium to long term diversified transformation strategy and look for low-risk financial investments, while searching proper domestic and foreign investment objectives in energy storage, LiDAR, 3D printing and related industries to achieve multifaceted strategy objectives of the industry layout.

## 6. Risk Items in the Most Recent Year and as of the Date of Publication of the Annual Report:

(1) The impact of the Company's net profit caused by changes in the interest rates, foreign exhange rates, and inflation and countermeasures:

Unit: NT\$ thousands

Item	2022	2023
Net Interest Income (expense)	(44,854)	452,619
Net Foreign Exchange Gain (loss)	509,297	174,320

#### 1. Interest rates

The Company's 2023 annual net interest income amount is NT\$452,619 thousands (the following currencies are subject to NT\$ unless otherwise specified). Maintaining close relationship with banks, taking advantage of financial market fluctuations, flexibly and effectively managing cash in the corporate accounts, and undertaking risk-free high-interest structured deposit products, resulting in net interest income in 2023.

#### 2. Foreign exchange rates

The functional currency of most of the Company's subsidiaries in mainland China is US dollars, and its major sales revenue and raw materials purchases are denominated in US

dollars, while some assets (such as time deposits and capital-guaranteed structured deposits) and liabilities (such as operating expenses in Mainland China and RMB loans) are denominated in RMB and have exchange rate risk. The functional currency of the Company's subsidiary in Taiwan is NT\$. The main sales revenue and raw materials purchases are denominated in US dollars, and the sales revenue is greater than the purchase of raw materials, and there is an exchange rate risk. In addition, the local daily expenses of the Company's main operating locations in Mainland China and Taiwan are supported by RMB and NT\$. Although affected by exchange rate fluctuations, the involved areas are relatively small (the operating expenses in the last three years accounted for approximately 3.8% of the net revenue). Therefore, the impact is relatively low.

According to the above exchange rate risk, financial departments will take the following countermeasures:

- (1). The principle of natural write-off is adopted to handle foreign currency exchange rate risk. Since the main sales revenue and raw material purchases of subsidiaries are denominated in US dollars, the natural hedging effect generated by their mutual offsets is used to reduce the exchange demand, and we can use foreign exchange derivative financial hedging products. To reduce the risk of exchange rates.
- (2). The financial personnel maintain the appropriate net position of foreign exchange based on the judgment of future exchange rate movements, so as to reduce the impact of exchange rate changes on the company's profit.
- (3). Keep close contact with main cooperation bank, and monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rate and handle with market emergency.
- (4). The "Procedures for Derivatives Transaction" of this Company according to "Guidelines for the Acquisition or Disposal of Assets by Public Offering Companies" was approved by the Audit Committee, the Board of Directors and the General Meeting of Shareholders according to the law, and it revised and regulated the Company's participation in derivative financial products.

#### 3. Inflation

Under the rapid change of overall economic environment, there is no significant impact on the Company's operation from inflation or deflation. The Company's products are sold worldwide, and by monitoring global economic change and market price of raw materials and end products, maintaining good relationship with the suppliers and customers, actively and appropriately adjusting sales strategies, procurement strategies, cost structures and payment terms, the Company's operation is unlikely influenced significantly by inflation or deflation.

#### 4. Risk of increase of loan rate

#### (1) Current situation

#### (1). Interest rate for RMB loan

In 2023, China is facing the pressure of slowing economic growth caused by the lack of economic recovery after the end of the lockdown and the continued correction of the real estate sector. In addition, in contrast to Europe and the United States, where inflation rates have risen sharply after the COVID-19 epidemic, China faces the risk of deflation after the epidemic prevention and control policies end. The consumer price index (CPI) announced by China in December 2023 fell by 0.3% compared with the same period last year, and has maintained the growth of

less than 1% since April 2022. Against the background of the real estate downturn and deflationary pressure, the People's Bank of China's monetary policy continues to be loose in 2023. In June and August, it lowered the interest rate of the medium-term lending facility (MLF) by 0.1 and 0.15 percentage points respectively. In December 2023 The one-year market loan quoted rate (LPR) dropped 0.2 percentage points from the same period last year to 3.45%; the five-year LPR dropped 0.1 percentage points to 4.2%. Looking into 2024, the People's Bank of China's monetary policy implementation report for the fourth quarter of 2023 stated that prudent monetary policy must be flexible, appropriate, precise and effective to guide reasonable credit growth and balanced credit support. The People's Bank of China is expected to maintain loose monetary policy to provide necessary liquidity to the market. Especially when deflationary pressure increases, it will further stimulate economic activity.

#### (2). Interest rate for US dollar loan

At the first meeting of the Federal Reserve in 2023, it continued the path of raising interest rates in 2022, raising the target range of the federal funds rate by 25 basis points to between 4.5% and 4.75%, starting the journey of interest rate hike in the new year. The Federal Reserve subsequently raised interest rates for the last time in this interest rate hike cycle on July 27, raising the federal funds rate target range by 25 basis points to between 5.25% and 5.5%. After this interest rate hike, interest rates reached their highest level in 22 years. After more than a year of interest rate hike, U.S. CPI dropped from a peak of 8.93% in June 2022 to 3.12% in November 2023. The Federal Reserve's task of stabilizing inflation has also nearly come to an end. In the process of raising interest rates, the biggest concern is the risk of economic recession. Although the current U.S. economic performance has been affected by interest rate increases and the growth rate has slowed down, overall, it should be able to achieve a soft landing scenario. The extent and timing of subsequent interest rate cuts will depend on U.S. employment and inflation data, as well as economic performance. The interest rate dot plot released at the FOMC meeting shows that the Federal Reserve will start cutting interest rates in mid-2024, and the target interest rate may be cut by three quarter percentage points in 2024, bringing the final interest rate range in 2024 to 4.5% - 4.75%.

#### (2) Countermeasures

Since most of the sales and purchases of the Company and its major subsidiaries are denominated in US dollars, and the current US dollar loan cost is still slightly lower than that of RMB loans, bank loans of this company will mainly be US dollars, but if the RMB loan interest rate continues to decrease, the proportion of RMB loans will be appropriately increased to save interest expenses. The company will moderately assume higher-yield RMB deposits and capital-guaranteed structured deposits to reduce net interest expenses. Countermeasures include:

- (1). Accounting department shall carefully evaluate the funding demand and financing plan according to actual demands, thus reduce unnecessary loan interest costs;
- (2). Increase more cooperation with banks based on the company's leading position

- in the industry and our solid financial structure. Meanwhile, we are seeking to negotiate better terms on loan interest rates;
- (3). Increase the financial channels of overseas banks, and introduce foreign low-cost dollar loans by means of external debts, thus replace some US dollar loans with higher loan costs in mainland China;
- (4). Increase the proportion of RMB loans to save interest expenses;
- (5). Avoid the risks of market interest rate fluctuations by using exchange rate instruments;
- (6). Appropriately carry out higher-yield USD or RMB deposits and capital-guaranteed structured deposits in order to reduce net interest expenses.

#### 5. Risk of appreciation of JPY

#### (1) Current situation

- (1). In March of 2024, the Bank of Japan exited seven years of negative interest rate policy and raised interest rates for the first time since 2007, raising borrowing costs from negative 0.1% to a range of 0 to 0.1%. However, the Bank of Japan issued a dovish outlook, pledging to maintain loose financial conditions for the foreseeable future to support consumers and businesses in coping with this historic event. As the market interpreted that the Bank of Japan had no intention of raising interest rates quickly, the yen exchange rate fell instead of rising. The subsequent trend of the yen will mainly depend on the interest rate policy of the U.S. Federal Reserve. If the U.S. increases interest rate cuts in the second half of the year, the yen is expected to shift toward appreciation trend.
- (2). The procurement of some materials and machines is calculated by JPY, thus with the risk of exchange rate, while the amount is little.

#### (2) Countermeasures

- (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
- (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.

#### 6. Risk of appreciation of RMB:

#### (1) Current situation

(1). Looking back at 2023, factors such as sluggish recovery of China's economy, the Federal Reserve's tightening of monetary policy, the widening of long-term interest rate differentials between China and the United States, and the intensification of short-term capital outflows within China have caused the RMB exchange rate to be under pressure most of the time. The RMB exchange rate against the US dollar fell by 2.89% in 2023, marking two consecutive years of decline. This year, as policies help mainland China's domestic economy stabilize and rebound, direct investment and securities investment may recover, and mainland China's domestic fundamentals may gradually become more supportive of the exchange rate. At the same time, as the U.S. Federal Reserve may cut interest rates for the first time after the middle of this year, the external pressure on the RMB is expected to gradually ease.

(2). The Company's principal sales of goods and purchases of raw materials are denominated in US dollars; however, some of the assets (such as structured deposits and capital-guaranteed structured deposits) and liabilities (such as local operating expenses and RMB borrowings in mainland China) are denominated in RMB, so there is an exchange rate risk.

#### (2) Countermeasures

- (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
- (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.

#### 7. Risk of the depreciation of US dollar (exchange for NT\$)

#### (1) Current situation

- (1). The Central Bank of Taiwan unexpectedly raised its benchmark interest rate by half a quarter percentage point to 2% in March 2024. However, this interest rate hike provides limited room for appreciation of the New Taiwan dollar, and the interest rate gap between the United States and Taiwan remains large. Since 2022, financial institutions, such as life insurance and securities investment trust, have continued to increase weightings in overseas bonds, prompting a surge in demand for U.S. dollars. In addition, flows into bond ETFs also increased dollar buying, offsetting the inflow of foreign institutional investors. The US dollar is expected to remain strong against the Taiwan dollar in the second quarter. Only after the Federal Reserve starts to lower interest rates will major Asian currencies, such as the New Taiwan Dollar, be under greater appreciation pressure.
- (2). The Company's main sales revenue and raw material purchases of subsidiaries in Taiwan are denominated in US dollars, and the amount of sales revenue is greater than the purchase of raw materials, however, its functional currency is NT\$ which faces exchange rate risk.

#### (2) Countermeasures

- (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
- (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.
- (2) The main reasons for the profit and loss of high-risk, high-leverage investment, capital loan and other endorsement guarantee and derivative commodity trading, and future countermeasures:

This company has established measures such as "Acquisition or Disposal of Assets Processing Procedures", "Measures for the Management of Funds and Others", "Management Measures for Endorsement Guarantees" and "Procedures for Dealing with Derivatives" for the basis of the Company and its subsidiaries. Up to this report's printing, this Company has not engaged in high-risk, high-leveraged investments, group loans and other external financial loans, others, endorsement guarantees, and high-risk

derivatives transactions. In addition, This company has always focused on the operation of the touch industry, and has not engaged in other high-risk industries, and the financial planning and operation policies will continue to adhere to the principle of "conservative and stable" and this company will not engage in high-risk and high-leveration. Therefore, the associated risks are limited.

#### (3) Future R&D plan and estimated expenses:

#### 1. Future R&D plan

Our company adheres to the principle of technological independence. In addition to our own research and development efforts, we also collaborate with research institutions on technology development or acquire new technologies through licensing arrangements. We continue to invest R&D resources to refine our high-end touch product technologies and enhance market competitiveness. Moreover, our company proactively seeks transformation opportunities, leveraging our excellent mass production manufacturing experience to expand our business reach and venture into more diversified product domains, creating the next wave of growth momentum.

#### 2. Estimated R&D expenses

Our company's research and development expenditures were NT\$695,423 thousand and NT\$585,849 thousand in 2022 and 2023 respectively. The estimated R&D expenditure for 2024 is NT\$497,566 thousand. In addition to our own development of core touch technologies and related materials, we also collaborate with customers on joint research and development projects to continuously enhance product performance and reduce costs. Moving forward, we will continue to invest R&D resources based on product development plans in order to maintain our market competitive edge.

(4) Risks Associated with Changes in Domestic and Foreign Government Policies and Regulations that Impact Business and Financial Operations:

TPK is incorporated in the Cayman Islands and its main operation located in mainland China, while its products are mainly sold to developed countries as those in United States, Europe and mainland China. The economic activity in the Cayman Islands is mainly financial services, and the United States and mainland China are the major economies in the world with stable economic development and political environment. Products developed and sold by the Company are the important consumer components in the non-franchised or restricted industry. The Company complies with national policies and laws; it keeps abreast with major policy and legal changes at all times and takes proper measures to adapt to environment changes. It is not expected that other governmental policies or regulatory changes would materially impact the Company's operations or financial condition.

(5) Effect on the Company's Financial Operations of Developments in Science and Technology (Including Cyber Security Risks) as well as Industrial Change, and Measures to be Taken in Response:

After a long development period, the touch market has transformed into stable maturity. In past years, the excessive expansion of touch capacity caused an imbalance in production and marketing, severe price competition, and reduction of manufacturers' profits, especially in the price competition of low-end products, which caused manufacturers to suffer losses, and some even quit the market. Faced with the competition of the touch industry and unexpected terminal demands, the Company has been actively transforming into a diversified

business in recent years, focusing on the development of energy storage cabinets, automotive LiDAR and 3D printing.

The internal organization of the Company aims to reach overall competitiveness and reduce production costs through efficient supply chain and manufacturing management, advanced production line automation, cost optimization and efficiency enhancement, thus increasing profitability. Looking ahead to 2024, the Company will keep strengthening internal controls and developing new products. Meanwhile, the Compny strive for new business and expand the existing relationship with customers, creating better capital profit for shareholders.

With the continuous advancement of technology, the emergence of new technologies, and the rampant spread of ransomware attacks, information security faces more challenges than ever before. Therefore, in addition to basic backup and off-site backup, encryption protection of confidential and sensitive data, and the use of blockchain technology to establish a trade secret protection system, our company ensures that data can be instantly recovered and not leaked in the event of a disaster. In addition to the existing information security protection mechanism, our company regularly analyzes major domestic and international cybersecurity incidents to learn from them and evaluate various preventive measures.

We have established a cybersecurity manager and personnel and applied for membership in the Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) to effectively receive and disseminate cybersecurity information, enabling our company to obtain real-time information. To strengthen risk management, enhance information security capabilities, and respond to continuous and complex network threats and attacks, we have implemented network security protection, completed backup mechanisms for critical systems, disaster recovery and recovery drills, and implemented partition security management to prevent, mitigate, and avoid cybersecurity incidents. In 2022, we added an important data anti-tampering mechanism to prevent the loss of important data due to ransomware attacks. We have also introduced the ISO 27001 information security management system to strengthen the company's ability to respond to information security incidents and protect the assets of the company and customers. We have established an ISO 27001 information security management system for specific areas and passed the "ISO 27001:2013 Information Security Management System" international standard certification, which is valid from August 22, 2021, to August 21, 2024.

To enhance employees' knowledge of information security, our company conducts information security promotion through a computer screen protection program for every employee, establishes an information security platform website, regularly sends out security notifications and up dates on cases through the system to raise awareness of information security risks among relevant personnel, and uses an online education system to regularly require employees to participate in "information security education and training" to strengthen their awareness of information security and reduce the risks arising from insufficient knowledge of information security city.

(6) Effect on the Company's Crisis Management of Changes in the Company's Corporate Image, and Measures to be Taken in Response:

We stick to genuine operating principles and steadfast spirit. We actively strengthen internal management and enhance quality and efficiency based on the operating concept "innovation, efficiency, practica, simple, human-oriented". We recruited numerous talents to

work for us. We enhanced the strength of our operation team, contribute our operation achievement back to the shareholders and public, and fulfill our corporate social responsibility. We have a great corporate image. Nothing has happened to alter our corporate image and cause a crisis on the corporate.

- (7) Expected Benefits, Possible Risks, and Countermeasures After Merger: None.
- (8) Expected Benefits, Possible Risks, and Countermeasures After Expansion of Factories: The Company is conservative and fairly cautious about the capacity expansion.
- (9) Concentration of Stock and Sales and the Related Risks and Countermeasures:
  - 1. Stock Concentration Risk: No higher stock rate of a specific supplier has occurred, and the supplier's ranking will change according to customers' demands and arrangement, and therefore the company should be no risk of stock concentration.
  - 2. Sales Concentration Risk: The Company focuses on developing innovative touch technology, materials, and processes, and its terminal customers are high-end consumer electronics factories. Influenced by the size-does-matter status of the high-end consumer electronics market, its customer concentration has been higher than other industries since its establishment; with the Company's active transformation into a diversified business in recent years, customer concentration has gradually dispersed. Compared with its peers, the Company is significantly better than the major competitors.
- (10) Substantial transfer or change of stock equity of directors, Supervisors, or shareholders who hold over 10% of company shares. The impact, risks, and countermeasures:

No substantial transfer or change of stock equity of directors or shareholders who hold over 10% of company shares has occurred, so there is no such risk.

(11) Impact on the company caused by change of management rights and the risks and countermeasures:

From last year to the time of publication, the management rights of this company have not changed. This company has strengthened its company operation measures, brought in independent directors, and established an Audit Committee and Compensation Committee with the hope of improving the protection of overall shareholder rights. While the daily operation of the company relies on professional managers, who have made great contributions to the business performance of this company, they will get shareholders' support in the future, and a change in management right will not negatively impact the company's management and business operation strength.

(12) In the case of lawsuit or non-lawsuit events, determinations, or administrative disputes of the company and its directors, the Supervisor, President, virtual head, or shareholders who hold over 10% of company shares shall be listed; if the results will have a big impact on shareholder rights or securities price, then the disputed facts, target amount, lawsuit commencement date, main lawsuit party, and processing condition until as of the publication of this report shall be disclosed:

None.

No disputes related to the company or its directors, Supervisor, President, virtual head, or shareholders who hold over 10% of company shares have been determined or ongoing in the last two years as of the publication of this report, so its results will not have a big impact on shareholder rights or securities price.

(13) Other risks and countermeasures: None.

7.	Other	<b>Events</b>
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None.

## VIII. Special Events

- 1. Information Related to Affiliates
  - (1) Subsidiaries Chart: Please refer to Annual Report page 161.
  - (2) TPK Subsidiaries: Please refer to Annual Report page 162 to 166.
  - (3) Shareholders in Common of TPK and Its Subsidiaries with Deemed Control and Subordination: None.
  - (4) Rosters of Directors, Supervisors, and Presidents of TPK's Subsidiaries: Please refer to Annual Report page 167 to 170.
  - (5) Operational Highlights of TPK Subsidiaries: Please refer to Annual Report page 171 to 173.
  - (6) Consolidated Financial Statements Covering Affiliates: Same as the consolidated financial statements of TPK and its subsidiaries, please refer to Annual Report page 174.
- 2. Private Placement Securities in the Most Recent Year and as of the Date of Publication of the Annual Report:

None.

3. Status of TPK Common Shares and GDRs Acquired, Disposed of, and Held by Subsidiaries in the Most Recent Year and as of the Date of Publication of the Annual Report:

None.

4. Other Necessary Supplements:

None.

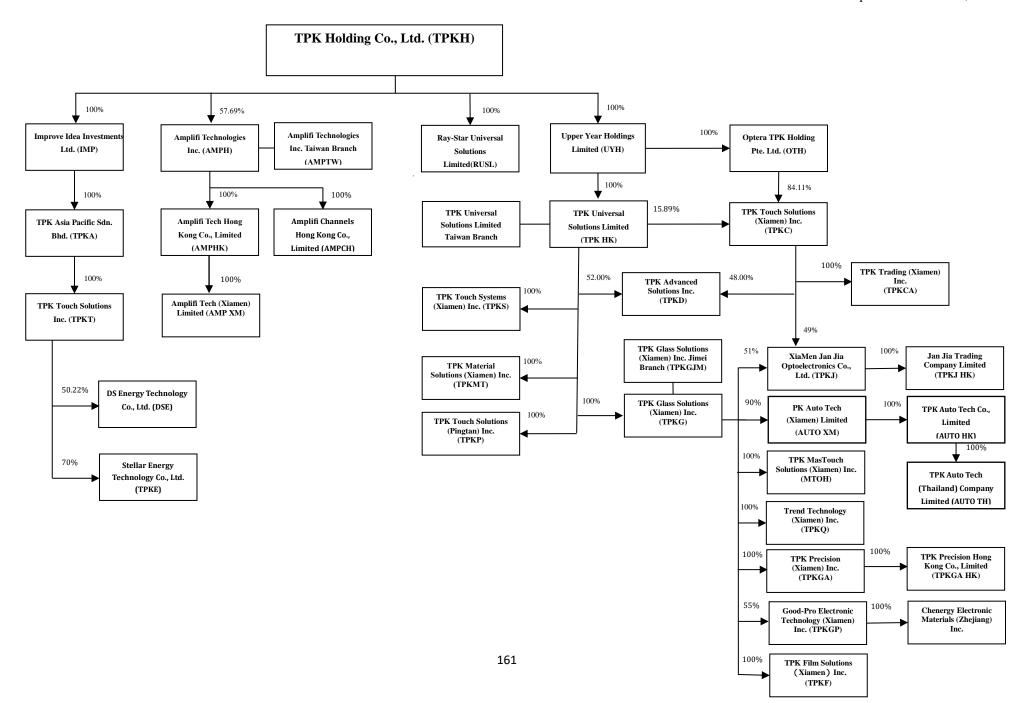
5. Any Events in the Most Recent Year and as of the Date of Publication of the Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan:

None.

6. Significant Differences in Shareholders' Equity Guaranteed Regulations in the R.O.C.:

None.

## TPK Holding Co., Ltd. Subsidiaries Chart



## **TPK Subsidiaries**

As of December 31, 2023

Company	Date of Incorporation	Place of Registration	Capital Stock	<b>Business Activities</b>
TPK Touch Solutions Inc.	May 09, 2003	6 F, No.13-18, Sec. 6, Min-quan E. Rd., Neihu District., Taipei City, Taiwan	NT\$ 507,170,000	Touch related materials, modules and electric utility vehicles sale
Upper Year Holdings Limited	Jan. 17, 2006	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 261,344,530	Holding company
Improve Idea Investments Ltd.	Jan. 17, 2006	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 154,490,000	Holding company
Optera TPK Holding Pte. Ltd.	Nov. 24, 2005	9 Raffles Place #26-01 Republic Plaza Singapore 048619	US\$ 1,104,585,942	Holding company
TPK America, LLC	Apr. 16, 2010	1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	-(Note 2)	International trade
Ray-Star Universal Solutions Limited	Dec. 17, 2010	Units 610-611, 6/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	US\$ 169,363,503	Holding company
TPK Universal Solutions Limited	Dec. 23, 2010	Units 610-611, 6/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	US\$ 593,810,045	Touch modules related product research, holding company and international trade
TPK Asia Pacific Sdn. Bhd.	Dec. 03, 2010	Unit 3(I), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, F.T. Labuan, Malaysia	US\$ 196,808	Holding company
TPK Touch Solutions (Xiamen) Inc.	Aug. 26, 2004	No.199, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 354,066,610	Touch modules research, development, manufacture and sales
TPK Touch Systems (Xiamen) Inc.	Jun. 21, 2006	The Second Floor, No.996-3, Minan	US\$ 25,000,000	Touch modules research,

Company Date of Incorporation		Place of Registration	Capital Stock	<b>Business Activities</b>
		Avenue, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China		development, manufacture and sales
TPK Glass Solutions (Xiamen) Inc.	Feb. 14, 2011	No.996, Minan Avenue, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 557,891,599	Touch modules research, development, manufacture and sales
XiaMen Jan Jia Optoelectronics Co., Ltd.	Apr. 01, 2012 (Note 1)	Middle Building, No.1, Xiangming Road, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 3,600,000	Protective film and optical adhesive manufacture and sales
Jan Jia Trading Company Limited	Jan. 03, 2018	Units 610-611, 6/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	US\$ 500,000	International trade
TPK Film Solutions (Xiamen) Inc.	Aug. 07, 2012	D Zone, The Fifth Floor Of Complex Building, No.191, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 40,910,000	Touch modules, protective film and optical adhesive manufacture and sales
TPK MasTouch Solutions (Xiamen) Inc.	Feb. 04, 2013 (Note 1)	The Third Floor, No.996-3, Minan Avenue, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 86,000,000	Touch modules research, development, manufacture and sales
TPK Touch Solutions (Pingtan) Inc.	Feb. 18, 2013	No.1, Ruyi East Road, Beicuo Town, Pingtan County, Fujian, China	US\$ 218,852,000	Touch modules research, development, manufacture and sales
TPK Advanced Solutions Inc.	Jul. 15, 2014	The Second, Third And Fourth Floor, No.515, Qishan North Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 177,931,460	Touch modules research, development, manufacture and sales

Company	Date of Incorporation	Place of Registration	Capital Stock	<b>Business Activities</b>
Trend Technology (Xiamen) Inc.	Jul. 31, 2014	E Zone, The Fifth Floor Of Complex Building, No.191, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 1,500,000	Inspection and testing services
TPK Material Solutions (Xiamen) Inc.	Oct. 22, 2018	A Zone, The First Floor, No.3 Workshop Of Bathroom Ironmongery, No.2168, Tongan Avenue, Tongan District, Xiamen, Fujian, China	US\$ 10,000,000	Eelectronic materials manufacture
Amplifi Technologies Inc.	Dec. 19, 2019	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	US\$ 10,400,000	Holding company, research and development, manufacture and sales of resin products
Amplifi Tech Hong Kong Co., Limited	Apr. 07, 2020	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong		Holding company and international trade
Amplifi Tech (Xiamen) Limited		E Zone, The Third Floor, No.515, Qishan North Second Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 1,500,000	Resin products research, development, manufacture and sales
Amplifi Channels Hong Kong Co., Limited	Oct. 11, 2021	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 10,000	International trade
TPK Auto Tech Co., Limited	Aug. 03, 2021	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 4,100,000	International trade
TPK Auto Tech (Xiamen) Limited	Sep. 30, 2021	No.187, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 130,000,000	Touch modules research, development, manufacture and sales

Company	Date of Incorporation	Place of Registration	Capital Stock	<b>Business Activities</b>
TPK Auto Tech (Thailand) Company Limited	Sep. 04, 2023	88/9 Moo 8, T.Thadthong, A.Bothong, Chonburi 20270, Thailand	THB 78,336,435 (Note 3)	Touch modules research, development, manufacture and sales
TPK Trading (Xiamen) Inc.	Nov. 16, 2021	The First Floor, No.1 Workshop, No.199, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 363,274,582	Trade, Touch modules manufacture and sales
TPK Precision (Xiamen) Inc.	Nov. 16, 2021	E Zone, The Second Floor, No.996-2, Minan Avenue, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 40,000,000	Electric utility vehicles manufacture optoelectronic components manufacture and sales
TPK Precision Hong Kong Co., Limited	Jun. 15, 2023	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 3,773	International trade
DS Energy Technology Co., Ltd.	May-11, 2022 (Note 1)	18F., No.665, Bannan Rd., Zhonghe Dist., New Taipei City, Taiwan	N1\$ 119,470,000	Solar energy system development and equipments trade, maintenance, installation and management services
Stellar Energy Technology Inc.	Jul. 27, 2023	No.38, Gongye 6th Rd., Annan Dist., Tainan City, Taiwan	NT\$ 120,000,000	Electrical equipments manufacture
Good-Pro Electronic Technology (Xiamen) Inc.	2023/09/14	The Second Floor, No.996-3, Minan Avenue, Xiangan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	Note 4	Electronic components manufacture and sales
Chenergy Electronic Materials (Zhejiang) Inc.	2023/12/13	Room 104, The First Floor, No.908-9, Huanhe East Rd., Wuzhen Town, Tongxiang City, Jiaxing, Zhejiang, China	Note 5	Electronic materials manufacture

- Note 1: Date of TPK acquired the ownership.
- Note 2: The process of dissolution and liquidation of TPK America, LLC was completed in November 2023.
- Note 3: A capital of THB 71,664 thousand was invested in TPK Auto Tech (Thailand) Company Limited in January 2024.
- Note 4: The proposed capital amount is RMB 22,000 thousand and as of December 31, 2023, the capital contribution has not completed.
- Note 5: The proposed capital amount is RMB 12,000 thousand and as of December 31, 2023, the capital contribution has not completed.

## Rosters of Directors, Supervisors, and Presidents of TPK's Subsidiaries

As of December 31, 2023

			As of De	Shares Held	
Enterprise Name	Position	Name/Representa tive	Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)	
TPK Touch Solutions Inc.	Chairman	Michael Chao-Juei Chiang	-	_	
Upper Year Holdings Limited (Samoa)	Director	Michael Chao-Juei Chiang		_	
Improve Idea Investments Ltd. (Samoa)	Director	Michael Chao-Juei Chiang	_	_	
Optera TPK Holding Pte. Ltd.	Director	Michael Chao-Juei Chiang	_	_	
(Singapore)	Director	Wee Choo Peng	_	_	
	Director	Hsi-Liang Liu	_	_	
Ray-Star Universal Solutions Limited (Hong Kong)	Director	Michael Chao-Juei Chiang	_	_	
	Director	Hsi-Liang Liu	_	_	
TPK Universal Solutions Limited (Hong Kong)	Director	Michael Chao-Juei Chiang	_	_	
(	Director	Michael Chao-Juei Chiang	_	_	
TPK Asia Pacific Sdn.Bhd (Malaysia)	Director	Geoffrey Chang Tze Weng	_	_	
	Director	Hsi-Liang Liu	_	_	
TPK Touch Solutions (Xiamen)	Executive Director	Michael Chao-Juei Chiang	_	_	
Inc.	Supervisor	Hsi-Liang Liu			
	President	Li-Chien Hsieh	_	_	
TPK Touch Systems (Xiamen)	Executive Director	Michael Chao-Juei Chiang	_	_	
Inc.	Supervisor	Hsi-Liang Liu	_	_	
	President	Li-Chien Hsieh			
TDV Glass Solutions (Vienna)	Executive Director	Michael Chao-Juei Chiang	_	_	
TPK Glass Solutions (Xiamen) Inc.	Supervisor	Hsi-Liang Liu	_	_	
	President	Li-Chien Hsieh	_	_	
XiaMen Jan Jia Optoelectronics	Executive Director	Li-Chien Hsieh	_	_	
Co., Ltd.	Supervisor	Hsi-Liang Liu	_	_	
	President	Shu-Yueh Liao	_	_	

			Share	s Held
Enterprise Name	Position	Name/Representa tive	Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)
	Executive Director	Michael Chao-Juei Chiang	_	_
TPK Film Solutions (Xiamen) Inc.	Supervisor	Hsi-Liang Liu		_
	President	Shih-Ming Liu	_	_
TPK MasTouch Solutions (Xiamen) Inc.	Executive Director & President	Shih-Ming Liu	_	_
	Supervisor	Hsi-Liang Liu	_	_
TPK Touch Solutions (Pingtan) Inc.	Executive Director	Michael Chao-Juei Chiang	_	_
	Supervisor	Hsi-Liang Liu	_	_
	President	Shih-Ming Liu	_	_
	Chairman	Michael Chao-Juei Chiang	_	_
TPK Advanced Solutions Inc.	Director & President	Li-Chien Hsieh	_	_
	Director	Shih-Ming Liu	_	_
	Supervisor	Hsi-Liang Liu	_	_
	Executive Director	Michael Chao-Juei Chiang	_	_
Trend Technology (Xiamen) Inc.	Supervisor	Hsi-Liang Liu	_	_
	President	Li-Chien Hsieh	_	_
Jan Jia Trading Company Limited	Director	Shu-Yue Liao		
TPK Material Solutions (Xiamen)	Executive Director	Chun-Min Hu	_	_
Inc.	Supervisor	Hsi-Liang Liu	_	_
	President	Shih-Ming Liu	_	_
	Chairman	Michael Chao-Juei Chiang	_	_
TPK Auto Tech (Xiamen)	Director	Li-Chien Hsieh	_	_
Limited	Supervisor	Hu-Yao Lin	_	_
	Director & President	Chien-Ming Lee	_	_
TPK Auto Tech Co., Limited	Director	Michael Chao-Juei Chiang	_	_
TPK Auto Tech (Thailand) Company Limited	Director	Michael Chao-Juei Chiang	1	0.0%

			Share	hares Held	
Enterprise Name	Position	Name/Representa tive	Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)	
	Director	Chien-Ming Lee	1	0.0%	
	Director	Kuang-Chang Liu	_	_	
	Executive Director	Michael Chao-Juei Chiang	_	_	
TPK Trading (Xiamen) Inc.	Supervisor	Hsi-Liang Liu	1	_	
	President	Li-Chien Hsieh	_	_	
TPK Precision (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	_	_	
	Supervisor	Hsi-Liang Liu	<u> </u>	_	
	President	Li-Chien Hsieh	_	_	
TPK Precision Hong Kong Co., Limited	Director	Michael Chao-Juei Chiang	_	_	
Amplifi Technologies Inc.	Director	Michael Chao-Juei Chiang		_	
Amplifi Tech Hong Kong Co., Limited	Director	Michael Chao-Juei Chiang	I	_	
Amplifi Channels Hong Kong Co., Limited	Director	Michael Chao-Juei Chiang	I	_	
Amplifi Tech (Xiamen)	Executive Director	Jen-I Tai	_	_	
Limited	Supervisor	Kai-Lun Wang	_	_	
	President	Lin, Yu-Chia	_	_	
	Chairman	You Liang Holdings Co., Ltd. Representative: Yi-Ting Wang	1,763,000	14.8%	
	Director	TPK Touch Solutions Inc. Representative: Hsi-Liang Liu			
DS Energy Technology Co., Ltd.	Director	TPK Touch Solutions Inc. Representative: Hu-Yao Lin	6,000,000	50.2%	
	Director	TPK Touch Solutions Inc. Representative: Ming-Shan Lee			
	Director	Baoxing Consulting Co., Ltd.	950,000	8.0%	

			Shares Held		
Enterprise Name	Position	Name/Representa tive	Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)	
	President	Yi-Ting Wang	200,000	1.7%	
	Supervisor	Lei-Lei Pan		_	
Stellar Energy Technology Inc.	Chairman	Li-Chien Hsieh		_	
	Director	HD Renewable Energy Co., Ltd.	3,600,000	30%	
	Director	Ming-Shan Lee	_	_	
	President	Jen-I Tai	_	_	
	Supervisor	Hu-Yao Lin	_	_	
Good-Pro Electronic Technology (Xiamen) Inc.	Chairman	Li-Chien Hsieh	_	_	
	Director & President	Ming-Chung Chuang	_	_	
	Director	Chien-Kuo Chiang	_	_	
	Supervisor	Hu-Yao Lin	_	_	
Chenergy Electronic Materials (Zhejiang) Inc.	Executive Director	Ming-Chung Chuang	_	_	
	Supervisor	Li Wang			
	President	Shu-Yue Liao	_	_	

Operational Highlights of TPK Subsidiaries								
					As of Dece	ember 31, 2023,	Unit: NT\$ thousa	nds, except EPS (NT\$)
Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
TPK Touch Solutions Inc.	NT\$ 507,170,000	1,997,538	111,381	1,886,157	139,833	(56,208)	66,440	1.31
Upper Year Holdings Limited	US\$ 261,344,530	41,533,940	970,739	40,563,201	-	(85)	709,279	2.71
Improve Idea Investments Ltd.	US\$ 154,490,000	4,901,234	924,851	3,976,383	-	(1,692)	(20,092)	(0.13)
Optera TPK Holding Pte. Ltd.	US\$ 1,104,585,942	31,471,646	1,626,359	29,845,287	-	(393)	976,825	0.90
TPK America, LLC (Note 2)	-	-	-	-	-	(2,701)	2,185	-
Ray-Star Universal Solutions Limited	US\$ 169,363,503	1,019,353	1,592	1,017,761	-	(581)	185,909	0.40
TPK Universal Solutions Limited	US\$ 593,810,045	40,003,474	28,351,602	11,651,872	89,635,134	114,528	(225,966)	(0.34)
TPK Asia Pacific Sdn. Bhd.	US\$ 196,808	4,121,241	648	4,120,593	-	(662)	163,325	258.35
TPK Touch Solutions (Xiamen) Inc.	US\$ 354,066,610	57,558,605	24,411,024	33,147,581	32,013,871	785,838	1,255,685	(Note 1)
TPK Touch Systems (Xiamen) Inc.	US\$ 25,000,000	4,410,365	2,733,522	1,676,843	7,391,473	(449)	232,550	(Note 1)
TPK Glass Solutions (Xiamen) Inc.	US\$ 557,891,599	12,352,989	7,013,618	5,339,371	5,704,581	(299,421)	(246,936)	(Note 1)
XiaMen Jan Jia Optoelectronics Co., Ltd.	US\$ 3,600,000	2,698,234	2,064,373	633,861	2,542,343	323,931	366,795	(Note 1)
Jan Jia Trading Company Limited	US\$ 500,000	222,957	124,323	98,634	1,114,352	29,275	22,610	45.22
TPK Film Solutions (Xiamen) Inc.	US\$ 40,910,000	1,237,520	885,627	351,893	1,957,191	132,838	135,832	(Note 1)
TPK MasTouch Solutions (Xiamen) Inc.	US\$ 86,000,000	1,997,538	111,381	1,886,157	139,833	(56,208)	66,440	(Note 1)
TPK Touch Solutions (Pingtan) Inc.	US\$ 218,852,000	2,859,753	7,851,085	(4,991,332)	119,176	(179,695)	(191,646)	(Note 1)

Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
TPK Advanced Solutions Inc.	US\$ 177,931,460	30,763,144	17,920,251	12,842,893	24,565,894	(1,334,448)	(638,533)	(Note 1)
Trend Technology (Xiamen) Inc.	RMB 1,500,000	15,807	50,896	(35,089)	-	(28,055)	(6,946)	(Note 1)
TPK Material Solutions (Xiamen) Inc.	US\$ 10,000,000	296,671	73,792	222,879	116,295	(31,143)	(24,032)	(Note 1)
Amplifi Technologies Inc.	US\$ 10,400,000	691,780	286,842	404,938	267,443	(56,839)	83,012	0.80
Amplifi Tech Hong Kong Co., Limited	US\$ 2,000,000	301,981	104,914	197,067	723,099	150,453	123,938	61.97
Amplifi Tech (Xiamen) Limited	US\$ 1,500,000	90,796	31,523	59,273	64,068	(9,995)	(5,302)	(Note 1)
Amplifi Channels Hong Kong Co., Limited	US\$ 10,000	131	29	102	-	(81)	(78)	(7.80)
TPK Auto Tech Co., Limited	US\$ 4,100,000	862,597	827,790	34,807	1,457,627	10,096	11,704	2.85
TPK Auto Tech (Xiamen) Limited	RMB 130,000,000	1,136,535	823,527	313,008	1,295,482	(188,173)	(114,768)	(Note 1)
TPK Auto Tech (Thailand) Company Limited	THB 78,336,435 (Note 3)	108,503	35,464	73,039	-	(827)	2,331	0.30
TPK Trading (Xiamen) Inc.	RMB 363,274,582	2,543,771	1,255,374	1,288,397	720,318	(246,270)	(176,141)	(Note 1)
TPK Precision (Xiamen) Inc.	RMB 40,000,000	175,919	43,863	132,056	58,098	(69,803)	(36,864)	(Note 1)
TPK Precision Hong Kong Co., Limited	US\$ 3,773	18,530	3,385	15,145	18,665	18,245	15,234	4,037.64
DS Energy Technology Co., Ltd.	NT\$ 119,470,000	125,462	63,506	61,956	50,599	(15,540)	(16,006)	(1.34)
Stellar Energy Technology Inc.	NT\$ 120,000,000	749,657	617,004	132,653	742,737	6,950	12,670	1.06
Good-Pro Electronic Technology (Xiamen) Inc.	- (Note 4)			-	-	-	-	-
Chenergy Electronic Materials (Zhejiang) Inc.	- (Note 5)	-	-	-	_	-	-	-

- Note 1: These firms do not issue shares. TPK's investment is measured as a percentage of ownership.
- Note 2: The process of dissolution and liquidation of TPK America, LLC was completed in November 2023.
- Note 3: A capital of THB 71,664 thousand was invested in TPK Auto Tech (Thailand) Company Limited in January 2024.
- Note 4: The proposed capital amount is RMB 22,000 thousand and as of December 31, 2023, the capital contribution has not completed.
- Note 5: The proposed capital amount is RMB 12,000 thousand and as of December 31, 2023, the capital contribution has not completed.

# **TPK Holding Co., Ltd. and Subsidiaries**

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report



# 勤業眾信

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#### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders TPK Holding Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of TPK Holding Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), 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 material accounting policy information (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 the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 Opinion**

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

# **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

# Valuation of Inventory

The description of the key audit matter:

As of December 31, 2023, the carrying amount of inventory accounted for 8% of the Group's total assets. The Group is mainly engaged in the business of developing, manufacturing and selling touch modules and related products. As the touch module industry is characterized by rapid change in technology, as well as short life cycles for the related products, in this regard, the risk surrounding the write-down of slow-moving and obsolete inventory is higher. Based on the aging of inventories, the net realizable value of the Group's products, the related sales status and the changes in the market, the Group evaluated and recognized losses related to the write-down of slow-moving and obsolete inventory monthly. Since such valuation of inventory requires significant judgment from management, the valuation of inventory has been identified as a key audit matter.

Refer to Notes 4 (g), 5 (c) and 11 to the Group's consolidated financial statements for details of the related accounting policy and the relevant information about inventory.

#### Corresponding audit procedures:

As for the evaluation of losses related to the write-down of slow-moving and obsolete inventory, after first gaining familiarity with the industry characteristics to which the Group belongs, we obtained an understanding of the reasonability of the Group's policy on provisions for obsolete inventory and inventory whose carrying amount was lower than the net realizable value, and we randomly inspected inventory aging and performed our own calculation to verify whether the loss recognized adhered to the Group's provision policy.

In addition, at the end of the year, we performed an inventory observation and random counting to understand the inventory status and evaluate the appropriateness of the loss of obsolete and damaged inventory.

# 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the Group's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 Pi-Yu Chuang and Chun-Hung Chen.

Deloitte & Touche Taipei, Taiwan Republic of China

March 29, 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 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	Amount	0/0	2022 Amount	%
	Timount	70	7 mio unic	, 0
CURRENT ASSETS (Note 4) Cash and cash equivalents (Notes 4, 6 and 27)	\$ 33,941,402	39	\$ 24,284,276	29
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	991,190	1	656,359	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	55,816	- 1.4	266,969	- 12
Financial assets at amortized cost - current (Notes 4, 9, 27, 31 and 33)  Notes and trade receivables, net (Notes 4, 10, 27, 31 and 32)	12,379,629 9,122,866	14 10	9,972,167 8,433,188	12 10
Other receivables, net (Notes 4, 10, 16, 27, 31 and 32)	2,930,078	3	6,129,982	8
Current tax assets (Notes 4 and 25)	57,301	-	4,444	-
Inventories (Notes 4, 5, 11 and 27) Other current assets (Note 27)	6,594,415 915,127	8 1	9,270,132 815,648	11 1
Other current assets (1vote 21)	<u></u>		015,040	
Total current assets	66,987,824	<u>76</u>	59,833,165	<u>72</u>
NON-CURRENT ASSETS	541 402		722.002	
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 31) Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	541,482 40,540	1	732,002	1
Investments accounted for using the equity method (Notes 4 and 13)	103,650	-	-	-
Property, plant and equipment (Notes 4, 5, 14, 27, 32 and 33)	10,893,313	12	16,851,811	20
Right-of-use assets (Notes 4, 15 and 27) Investment properties (Notes 4 and 16)	3,244,394 3,953,618	4 5	3,982,053 226,284	5
Intangible assets (Notes 4, 17 and 27)	88,256	-	103,675	-
Deferred tax assets (Notes 4, 5 and 25)	1,081,616	1	1,032,215	1
Prepayments for equipment	771,562	1	722,367	1
Refundable deposits (Notes 27, 31 and 32) Net defined benefit assets - non-current (Notes 4 and 21)	116,240 284	-	115,813	-
Other non-current assets	548	<del>-</del>	891	
Total non-current assets	20,835,503	24	23,767,111	28
TOTAL	<u>\$ 87,823,327</u>	100	\$ 83,600,276	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4) Short-term borrowings (Notes 18 and 31)	\$ 11,499,557	13	\$ 7,437,076	9
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 31)	522,973	1	614,449	1
Notes and trade payables (Notes 27 and 32)	10,109,486	11	9,393,716	11
Payables for purchase of equipment (Notes 19 and 29) Other payables - others (Notes 19, 27 and 32)	437,989 2,235,886	3	486,636 2,816,364	1 3
Current tax liabilities (Notes 4 and 25)	227,167	-	334,157	-
Provisions - current (Notes 4, 5, 11 and 20)	1,381,436	2	1,805,951	2
Lease liabilities - current (Notes 4, 15, 27 and 32)	288,844	3	479,411	1 6
Current portion of long-term borrowings (Notes 18, 27, 31 and 33) Refund liabilities - current (Notes 19 and 23)	2,667,521 654,674	3 1	4,911,779 -	-
Other current liabilities - others (Notes 27 and 32)	512,471	1	343,148	
Total current liabilities	30,538,004	<u>35</u>	28,622,687	34
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18, 27, 31 and 33) Deferred tax liabilities (Notes 4 and 25)	15,611,161 2,087,696	18 2	11,969,058 2,490,187	14 3
Lease liabilities - non-current (Notes 4, 15, 27 and 32)	2,477,132	3	2,822,557	4
Net defined benefit liabilities - non-current (Notes 4 and 21)	-	-	1,347	-
Guarantee deposits received (Note 31)	33,021	-	44,185	-
Other non-current liabilities	129,619	<del></del>	278,428	<del>_</del>
Total non-current liabilities	20,338,629	23	17,605,762	21
Total liabilities	50,876,633	58	46,228,449	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 22, 27 and 28)				
Share capital Ordinary shares	4.066,638	5	4,066,638	5
Capital surplus	28,234,810	32	28,231,125	34
Retained earnings	2.554.004		2 405 420	4
Legal reserve Special reserve	3,556,086 2,256,831	4 3	3,497,439 189,610	4
(Accumulated deficit) unappropriated earnings	(1,287,884)	<u>(2</u> )	831,664	1
Total retained earnings	4,525,033		4,518,713	5
Other equity  Exchange differences on translating foreign operations	1,903,932	2	2,018,194	2
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(2,077,825)	<u>(2</u> )	(1,782,710)	<u>(2</u> )
Total other equity	(173,893)	<u> </u>	235,484	
Total equity attributable to owners of the Company	36,652,588	42	37,051,960	44
NON-CONTROLLING INTERESTS	<u>294,106</u>		319,867	1
Total equity	36,946,694	42	37,371,827	<u>45</u>
TOTAL	<u>\$ 87,823,327</u>	<u>100</u>	<u>\$ 83,600,276</u>	<u>100</u>

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

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE, NET (Notes 4, 23, 27, 32 and 37)	\$ 69,861,231	100	\$ 97,180,969	100
OPERATING COSTS (Notes 4, 11, 14, 15, 17, 20, 21, 24 and 32)	66,630,943	95	93,066,492	96
GROSS PROFIT	3,230,288	5	4,114,477	4
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 21, 24 and 32) Selling and marketing expenses General and administrative expenses Research and development expenses Expected credit loss (gain)	302,805 2,329,971 585,849 6,880	1 3 1	341,301 2,550,428 695,423 (22,515)	3 1
Total operating expenses	3,225,505	5	3,564,637	4
OPERATING INCOME	4,783		549,840	
NON-OPERATING INCOME AND EXPENSES Government grant revenue (Note 4) Share of loss of associates (Notes 4 and 13) Interest income (Notes 4, 24 and 32) Other income (Notes 4, 15, 24 and 32) Loss on financial assets (liabilities) at fair value through profit or loss (Notes 4, 7 and 31) Finance costs (Notes 4, 15, 18, 24 and 32) Impairment loss recognized on financial assets (Notes 4 and 13) Foreign exchange gain, net (Notes 4 and 36) Other losses (Notes 4, 16 and 24)  Total non-operating income and expenses	376,356 (155,574) 1,935,989 289,261 (224,733) (1,483,370) (137,522) 174,320 (186,669) 588,058	1 2 - (2)	422,749 815,344 416,776 (498,073) (860,198) 509,297 (95,872) 710,023	- 1 - (1)
Total non-operating income and expenses	588,058	1	/10,023	<u>l</u>
PROFIT BEFORE INCOME TAX	592,841	1	1,259,863	1
INCOME TAX EXPENSE (Notes 4 and 25)	366,755	1	678,167	1
NET PROFIT FOR THE YEAR	226,086		581,696	_ <del></del> _
			(Cor	ntinued)

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022		
	Amount	%	Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans (Notes 4 and 21) Unrealized valuation loss on investments in equity instruments at fair value through other	\$ 1,262	-	\$ 2,031	-	
comprehensive income (Notes 4, 8 and 22) Exchange differences arising on translation to the	(295,115)	-	(1,334,291)	(1)	
presentation currency (Notes 4 and 22)	(7,055) (300,908)	<del>_</del>	3,795,997 2,463,737	<u>4</u> 3	
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations (Notes 4 and 22)	(104,361)		(626,220)	(1)	
Other comprehensive (loss) income for the year, net of income tax	(405,269)	<del>-</del>	1,837,517	2	
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (179,183)</u>	<u> </u>	\$ 2,419,213	2	
NET PROFIT ATTRIBUTABLE TO: Owners of the Company Non-controlling interests	\$ 208,390 17,696	- 	\$ 543,738 37,958	<u>-</u>	
	<u>\$ 226,086</u>	<del>-</del>	\$ 581,696		
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company Non-controlling interests	\$ (199,725) 20,542	<u>-</u>	\$ 2,361,155 58,058	2	
	<u>\$ (179,183)</u>	<u>=</u>	\$ 2,419,213	2	
EARNINGS PER SHARE (Note 26) Basic Diluted	\$ 0.51 \$ 0.51		\$ 1.34 \$ 1.34		

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

(Concluded)

CONSOLIDATED STATEMENTS 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 Compa				_	
				Retained Earnings		Other	Equity Unrealized Valuation Loss on Financial Assets at			
	Share Capital (Notes 4 and 22)	Capital Surplus (Notes 4, 22 and 28)	Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Accumulated Deficit) (Notes 4, 21 and 22)	Exchange Differences on Translating Foreign Operations (Notes 4 and 22)	Fair Value Through Other Comprehensive Income (Notes 4, 8 and 22)	Total	Non-controlling Interests (Notes 4, 22, 27 and 28)	Total Equity
BALANCE AT JANUARY 1, 2022	\$ 4,066,638	\$ 28,165,226	\$ 3,384,463	\$ -	\$ 1,198,477	\$ (1,131,483)	\$ (448,419)	\$ 35,234,902	\$ 150,786	\$ 35,385,688
Appropriation of 2021 earnings Legal reserve Special reserve Cash dividends distributed by the Company	- - -	- - -	112,976 - -	189,610 -	(112,976) (189,610) (609,996)	- - -	- - -	- - (609,996)	- - -	- (609,996)
Share options issued by the subsidiary	-	62,824	-	-	-	-	-	62,824	-	62,824
Difference between consideration and the carrying amount of the subsidiary acquired or disposed	-	3,075	-	-	-	-	-	3,075	51,551	54,626
Net profit for the year ended December 31, 2022	-	-	-	-	543,738	-	-	543,738	37,958	581,696
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<del></del>	<del></del>		<del>-</del>	2,031	3,149,677	(1,334,291)	1,817,417	20,100	1,837,517
Total comprehensive income (loss) for the year ended December 31, 2022		<del>-</del>			545,769	3,149,677	(1,334,291)	2,361,155	58,058	2,419,213
Change in non-controlling interests		<del>_</del>	<del></del>			<del></del>			59,472	59,472
BALANCE AT DECEMBER 31, 2022	4,066,638	28,231,125	3,497,439	189,610	831,664	2,018,194	(1,782,710)	37,051,960	319,867	37,371,827
Appropriation of 2022 earnings Legal reserve Special reserve Cash dividends distributed by the Company	- - -	- - -	58,647 - -	2,067,221	(58,647) (2,067,221) (203,332)	- - -	- - -	(203,332)	- - -	(203,332)
Changes in equity of associates accounted for using the equity method	-	3,696	-	-	-	-	-	3,696	-	3,696
Net profit for the year ended December 31, 2023	-	-	-	-	208,390	-	-	208,390	17,696	226,086
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<del>-</del>	<del>_</del>		<del></del>	1,262	(114,262)	(295,115)	(408,115)	2,846	(405,269)
Total comprehensive income (loss) for the year ended December 31, 2023	<del></del>	<del>_</del>	=	<del></del>	209,652	(114,262)	(295,115)	(199,725)	20,542	(179,183)
Changes in non-controlling interests	-	(11)	-	-	-	-	-	(11)	36,011	36,000
Cash dividends distributed by the subsidiary	<del>_</del>	<u> </u>	<del>_</del>	<del>_</del>	<del>_</del>	<del>-</del>	<del>_</del>	<del>-</del>	(82,314)	(82,314)
BALANCE AT DECEMBER 31, 2023	\$ 4,066,638	<u>\$ 28,234,810</u>	\$ 3,556,086	<u>\$ 2,256,831</u>	<u>\$ (1,287,884</u> )	<u>\$ 1,903,932</u>	<u>\$ (2,077,825)</u>	\$ 36,652,588	<u>\$ 294,106</u>	<u>\$ 36,946,694</u>

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

# CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

		2023		2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	\$	592,841	\$	1,259,863
Adjustments for:	4	C> <b>Z</b> ,011	Ψ	1,200,000
Depreciation expenses		3,852,958		4,079,867
Amortization expenses		34,394		31,495
Expected credit loss recognized (reversed) on trade receivables		6,880		(22,515)
Net loss on fair value changes of financial assets and liabilities at		0,000		(22,313)
fair value through profit or loss		226,793		74,560
Finance costs		1,483,370		860,198
Interest income		(1,935,989)		(815,344)
Share of loss of associates		155,574		(613,344)
Gain on disposal of property, plant and equipment		(93,265)		(168,647)
Loss on disposal of intangible assets		(93,203)		178
Gain on lease modification		(387)		(181,598)
		137,522		(101,390)
Impairment loss recognized on financial assets		·		571
Impairment loss recognized on non-financial assets		26,890		
Recognition of write-down of inventories		(104 (10)		237,591
(Reversed) recognition of provisions		(184,618)		378,908
Changes in operating assets and liabilities		(225.464)		4.270.066
(Increase) decrease in notes and trade receivables		(325,464)		4,279,066
Decrease (increase) in other receivables		3,774,695		(1,990,956)
Decrease in inventories		2,600,623		2,378,343
Increase in other current assets		(132,607)		(547,770)
Increase (decrease) in notes and trade payables		811,691		(5,414,761)
(Decrease) increase in other payables		(595,567)		4,300
Decrease in provisions		(249,219)		(318,723)
Increase in other current liabilities		194,449		110,847
Decrease in net defined benefit plans		(369)		(403)
Increase in refund liabilities		255,259		
Cash generated from operations		10,636,454		4,235,070
Interest received		1,332,539		554,863
Income tax paid	_	(1,009,807)	_	(227,806)
Net cash generated from operating activities		10,959,186	_	4,562,127
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive				
income		(121,920)		-
Purchase of financial assets at amortized cost		(1,995,486)		(5,651,626)
Purchase of financial assets at fair value through profit or loss		(940,767)		(325,947)
Issue of financial liabilities at fair value through profit or loss		159,191		_
Proceeds from sale of financial assets at fair value through profit or		,		
loss		108,939		141,429
Acquisition of the associate		(150,175)		, -
Payments for property, plant and equipment		(200)		(220)
y restriction with the second		(===)		(Continued)

# CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		2023	2022
Proceeds from disposal of property, plant and equipment	\$	126,263	\$ 186,367
(Increase) decrease in refundable deposits		(535)	8,445
Payments for intangible assets		(19,056)	(18,584)
Decrease in other non-current assets		345	5,487
Increase in prepayments for equipment		(1,046,810)	(1,048,411)
Net cash inflow on acquisition of the subsidiary	_		 14,301
Net cash used in investing activities		(3,880,211)	 (6,688,759)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		3,818,561	3,268,179
Proceeds from long-term borrowings		11,476,869	11,160,239
Repayments of long-term borrowings		(9,857,651)	(9,539,965)
(Refund of) proceeds from guarantee deposits received		(11,985)	4,053
Repayments of the principal portion of lease liabilities		(606,352)	(614,173)
Decrease in other non-current liabilities		(150,353)	(59,601)
Dividends paid to owners of the Company		(203,332)	(609,996)
Partial disposal of interests in the subsidiary without a loss of control		-	117,450
Interest paid		(1,303,161)	(646,425)
Dividends paid to non-controlling interests		(82,314)	-
Changes in non-controlling interests	_	36,000	 <u>-</u>
Net cash generated from financing activities		3,116,282	 3,079,761
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF			
CASH HELD IN FOREIGN CURRENCIES	_	(538,131)	 2,716,026
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,657,126	3,669,155
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	_	24,284,276	 20,615,121
	_	22 0 11 102	24.204.275
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$</u>	33,941,402	\$ 24,284,276

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

(Concluded)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

#### 1. GENERAL INFORMATION

TPK Holding Co., Ltd. (the "Company") was incorporated as a limited company under the provisions of the Company Law of the Cayman Islands on November 21, 2005.

The Company and its subsidiaries (collectively referred to as the "Group") are mainly engaged in the business of developing, manufacturing and selling touch modules, touch display and indium tin oxide (ITO) glass-related products.

The Company's shares have been listed on the Taiwan Stock Exchange since October 29, 2010.

The functional currency of the Company is the U.S. dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company's shares are listed on the Taiwan Stock Exchange.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 7, 2024.

# 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies:

Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules." The amendments introduce an exception to IAS 12, which specifies that the Company shall not recognize deferred income tax assets and liabilities in respect of Pillar Two income tax, and shall not disclose information related to such deferred income tax. However, it shall disclose that it has applied the exception and separately disclose the income tax expense (profit) of the current period related to the income tax of Pillar Two. In addition, during the period when Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company shall disclose qualitative and quantitative information that is helpful to users in understanding their exposure to Pillar Two income tax, which is known or can be reasonably estimated. After the promulgation of this amendment, the exceptions to this subparagraph shall be applied retrospectively immediately and the facts that have applied shall be disclosed; other disclosure requirements shall be applicable for the annual reporting period beginning on or after January 1, 2023. These other disclosure requirements are not applicable to the interim financial reports with reporting period ending before December 31, 2023.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" Amendments to IAS 1 "Classification of Liabilities as Current or	January 1, 2024 (Note 2) January 1, 2024
Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

- Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.
- Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above standards and interpretations will not have a significant impact on the Group's financial position and financial performance.

c. New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

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

- Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.
- Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

#### a. Statement of compliance

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

#### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities/assets which are measured at the present value of defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless an asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

#### d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the reporting period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of such acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets and investments in associates at fair value through other comprehensive income.

See Note 12, Table 7 and Table 8 following the Notes to Consolidated Financial Statements for detailed information on subsidiaries (including the percentages of ownership and main businesses).

#### e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

Business combinations involving entities under common control are not accounted for by the acquisition method. In preparing the consolidated financial statements, the balance of the difference between the investment cost generated from the acquisition of the acquiree's interests and the net assets is analyzed and dealt with in the way which was initially performed at the acquisition date.

## f. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate. The exchange differences accumulated in equity which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency are not subsequently reclassified to profit or loss.

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

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

#### g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the standard cost and adjusted to approximate the weighted-average cost on the balance sheet date.

#### h. Investments in associates

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

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

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

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

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value at its initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

#### i. Property, plant and equipment

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

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

#### j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets.

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

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

# k. Goodwill (recognized as intangible assets)

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss.

### 1. Intangible assets

#### 1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis by the Group.

#### 2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

#### 3) Derecognition of intangible assets

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

# m. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

#### n. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

#### 1) Financial assets

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

#### a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

#### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any interest earned on such financial assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 31.

#### ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

 Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

## iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amounts of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

# iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

#### b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI and impairment loss on operating lease receivables.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and operating lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

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

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 60 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

#### c) Derecognition of financial assets

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

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

## 2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

#### 3) Financial liabilities

## a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in other gains and losses. Fair value is determined in the manner described in Note 31.

#### b) Derecognition of financial liabilities

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

#### 4) Derivative financial instruments

The Group enters into derivative financial instruments, including foreign exchange forward contracts, foreign currency option contracts and exchange rate swap contracts, to manage its exposure to foreign currency exchange rate and interest rate risks.

Derivatives are initially recognized at fair value at the date in which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

#### o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### 1) Onerous contracts

Provisions for onerous contracts arise where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

#### 2) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

#### p. Revenue recognition

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

Revenue from the sale of goods comes mainly from sales of touch modules, touch display and ITO glass-related products. Sales of touch modules, touch display and ITO glass-related products are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

#### q. Leasing

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

#### 1) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

### 2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 10 for the accounting policies for investment properties.

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

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

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, and there were no material changes to the terms and conditions of the other leases, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of rent concessions in lease agreements, therefore, does not assess whether those are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

# r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

#### t. Employee benefits

#### 1) Short-term employee benefits

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

#### 2) Retirement benefits

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

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

The net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

#### u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

For the subsidiaries incorporated in the territory of the Republic of China, according to the Income Tax Law in the Republic of China, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

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

#### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology and expenditures on research, development and personnel training to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

# 3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

# **Key Sources of Estimation Uncertainty**

#### a. Impairment test for property, plant and equipment

In the process of evaluating impairment of assets, the management is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to specific asset groups while taking into consideration the nature of the industry. Furthermore, any changes in such estimations resulting from changes in economic conditions or the Company's strategy could possibly lead to a material impairment loss in future periods.

For the year ended December 31, 2023 and 2022, the Group recognized an impairment loss on property, plant and equipment in the amount of \$26,890 thousand and \$571 thousand, respectively.

#### b. Income taxes

As of December 31, 2023 and 2022, no deferred tax asset has been recognized on the tax loss and deductible temporary differences of \$17,642,495 thousand and \$18,453,054 thousand, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are difference with expected, a material adjustment of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a adjustment takes place.

The details of unused tax losses as of December 31, 2023 and 2022 are described in Note 25.

#### c. Write-downs of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

The carrying amounts of inventories as of December 31, 2023 and 2022 are disclosed in Note 11.

## d. Estimated provisions

Provisions are present obligations arising as a result of past events. Based on the past experience, the Group recognized the estimated expenditures for settling such obligations as provisions. The Group has a variety of provisions, including onerous contracts and warranties. The carrying amounts of provisions as of December 31, 2023 and 2022 are disclosed in Note 20.

#### 6. CASH AND CASH EQUIVALENTS

	December 31			
	2023	2022		
Cash on hand Checking accounts and demand deposits Cash equivalents	\$ 506 6,914,047	\$ 485 6,282,167		
Time deposits	27,026,849	18,001,624		
	<u>\$ 33,941,402</u>	<u>\$ 24,284,276</u>		

The interest rates for deposits in the bank at the end of the year were as follows:

	Decem	December 31		
	2023	2022		
Deposits	0%-5.58%	0%-5.05%		

# 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Decem	iber 31
	2023	2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ 193,572	\$ 489,589
Foreign exchange option contracts (a)	44,602	-
Exchange rate swap contracts (a)	15,538	-
Stock option contracts (b)	112,912	-
Non-derivative financial assets		
Domestic innovation board listed shares (c)	365,400	-
Foreign listed shares (d)	259,166	-
Domestic emerging shares (c)	<del>-</del>	166,770
	<u>\$ 991,190</u>	<u>\$ 656,359</u>
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Foreign private fund	\$ 541,482	\$ 516,139
Foreign unlisted shares (e)	<u> </u>	215,863
	<u>\$ 541,482</u>	<u>\$ 732,002</u>
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange option contracts (a)	\$ 318,086	\$ -
Foreign exchange option contracts (a)  Foreign exchange forward contracts (a)	184,258	ъ - 614,449
Exchange rate swap contracts (a)	10,743	014,449
Stock option contracts (b)	9,886	-
Stock option contracts (b)		<del>-</del>
	<u>\$ 522,973</u>	<u>\$ 614,449</u>

a. The Group entered into foreign exchange forward contracts, foreign exchange option contracts and exchange rate swap contracts to manage exposures to exchange rate fluctuations of foreign currency-denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Sell USD/Buy RMB	USD/RMB	January 19, 2024 - August 30, 2024	USD618,000/ RMB4,333,472
Sell NTD/Buy USD	NTD/USD	January 8, 2024 - January 31, 2024	NTD965,883/ USD31,000
<u>December 31, 2022</u>			
Sell USD/Buy RMB	USD/RMB	February 2, 2023 - September 15, 2023	USD685,000/ RMB4,614,679
Sell RMB/Buy USD	RMB/USD	February 15, 2023 - September 13, 2023	RMB3,821,750/ USD575,000
Sell NTD/Buy USD	NTD/USD	January 5, 2023 - January 6, 2023	NTD60,610/USD2,000

At the end of the year, outstanding foreign exchange option contracts not under hedge accounting were as follows (as of December 31, 2022: None):

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Combined foreign exchange options			
Buy USD call option	RMB/USD	April 10, 2024 -	RMB4,198,250/
_		August 28, 2024	USD600,000
Sell USD put option	RMB/USD	April 10, 2024 -	RMB4,197,650/
		August 28, 2024	USD600,000

At the end of the year, outstanding exchange rate swap contracts not under hedge accounting were as follows (as of December 31, 2022: None):

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Buy USD	RMB/USD	December 4, 2024 - December 27, 2024	RMB934,036/USD135,540
Sell USD	USD/RMB	December 4, 2024 - December 27, 2024	USD135,540/RMB943,751
Buy USD	NTD/USD	January 16, 2024	NTD204,848/USD6,500

b. The Group entered into stock option contracts for the purpose of reducing the risk of holding Luminar Technologies, Inc. (Luminar) stock due to price fluctuations through option trading. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

At the end of the year, outstanding stock option contracts not under hedge accounting were as follows (as of December 31, 2022: None):

	Option (Paid) Premium
<b>Maturity Date</b>	(In Thousands)

#### December 31, 2023

Sell call option (Note 1) January 19, 2024 - April 19, 2024 NT\$59,109 Buy put option (Note 2) January 19, 2024 - April 19, 2024 NT\$(73,777)

Note 1: During the contract period, the counterparty has the right to request the Group to settle the underlying stock at the execution price.

- Note 2: During the contract period, the Group has the right to request the counterparty to deliver the underlying shares at the agreed-upon execution price.
- c. The Group participated in the cash capital increase of HD Renewable Energy Co., Ltd. (HD) in the amount of \$164,000 thousand in May 2022, purchased 2,000 thousand shares, and acquired 2.35% of the shares of HD. Based on the business model, the investment was mandatorily classified as a financial asset at fair value through profit and loss. In October 2022, the Group disposed of 200 thousand shares, and the percentage of shares decreased to 2.12%. In March 2023, the Group participated in the book building in the initial public offerings of HD on Taiwan Innovation Board in the amount of 110,000 thousand, purchasing 1,000 thousand shares, and the percentage of shares increased to 2.80%.
- d. The Group acquired 1,652,892 shares of Luminar's private placement for US\$10,000 thousand and subscribed for additional shares of Luminar's private placement for an amount of US\$10,000 thousand in May 2023. The Group exercised the above option and acquired another 1,652,892 shares of Luminar's private placement for US\$10,000 thousand in August 2023.
- e. The Group converted all the principal and accrued interests of convertible bonds issued by UBCO Holdings Limited (UBCO) into preference shares on December 23, 2022. As of December 31, 2022, the Group owns 16.97% (19,348 thousand preference shares) of UBCO. The Group acquired 9,964 thousand preference shares through a cash capital increase in UBCO of US\$5,000 thousand on January 3, 2023. After the capital increase, the Group held a total of 29,312 thousand shares of UBCO's preferred stock, and the percentage of ownership increased to 21.69%. The Group is able to exercise significant influence over UBCO, and therefore, it reclassified the balance of its investment as an equity-method investment. Refer to Note 13 for more information.
- f. The Group invested US\$3,800 thousand to acquire 363,529 public Class A ordinary shares with 90,882 units of options, 100,171 public Class B ordinary shares, and 109,805 units of private equity warrants issued by Hennessy Capital Investment Corp. V (HCIC V) in January 2021. As the aforementioned financial assets include common stock and stock options, the hybrid contracts were mandatorily classified as financial assets at fair value through profit and loss.

The Group disposed of 363,529 public Class A ordinary shares in October and November 2022. Due to the inability to complete the merger and acquisition within the contract validity period, HCIC V was liquidated on December 21, 2022. The liquidation resulted in the invalidation of 100,171 public Class B ordinary shares and 109,805 units of private equity warrants. The Group recognized a loss of \$291 thousand in the fourth quarter of 2022.

Gains and losses on financial instruments at fair value through profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 3		
	2023	2022	
Gain (loss) on foreign exchange forward contracts	\$ 150,949	\$ (463,465)	
Gain on stock option contracts	124,200	3,062	
Gain on domestic innovation board listed shares	87,945	-	
Loss on foreign private fund	(3,378)	(59,092)	
Loss on foreign listed shares	(288,867)	-	
Loss on foreign exchange option contracts	(293,074)	-	
Others	(2,508)	21,422	
	<u>\$ (224,733)</u>	<u>\$ (498,073)</u>	

#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31		
	2023	2022	
Equity instruments			
<u>Current</u>			
Foreign listed ordinary shares Canoo Inc.	<u>\$ 55,816</u>	<u>\$ 266,969</u>	
Non-Current			
Foreign unlisted shares Sensor Holdings Limited (Stretch Sense)	<u>\$ 40,540</u>	<u>\$</u>	

The Group acquired ordinary shares of Canoo Inc. and Stretch Sense for strategic purposes. Therefore, the management elected to designate these investments in equity instruments as at FVTOCI.

In December 2020, the Group indirectly invested in Canoo Holding Ltd. by participating in the private placement of Hennessy Capital Acquisition Corp. IV for a total investment amount of US\$100,000 thousand. After the acquisition, Hennessy Capital Acquisition Corp. IV merged with Canoo Holding Ltd. and changed its name to Canoo Inc. As of December 31, 2023, after being disposed of part of its shares, the Group owned 0.74% (7,068 thousand shares) of Canoo Inc.'s shares.

The Group acquired 217 thousand preference shares of Stretch Sense from GD1 Fund II L.P., a shareholder of Stretch Sense, for US\$4,000 thousand in January 2023, and as of December 31, 2023, the Group held a 9.99% equity interest in Stretch Sense.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31		
	2023	2022	
<u>Current</u>			
Restricted bank deposits Time deposits with original maturities of more than 3 months	\$ 2,035,886 10,343,743	\$ 1,402,142 8,570,025	
	\$ 12,379,629	\$ 9,972,167	

The interest rates for time deposits with original maturities of more than 3 months as at the end of the year were as follows:

	Decem	December 31		
	2023	2022		
Term deposits	1.335%-5.91%	0.96%-5.66%		

The interest rates for restricted bank deposits as at the end of the year were as follow:

	Decem	December 31		
	2023	2022		
Restricted bank deposits	0.20%-3.35%	0.20%-3.38%		

Restricted bank deposits are mainly in use as guarantees to banks, customs guarantees, guarantees for suppliers for a bill of the bank acceptance, and guarantees for road and bridge tolls.

Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

# 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31		
	2023	2022	
Notes receivable and trade receivables (a)			
At amortized cost			
Notes receivable	\$ 641,654	\$ -	
Trade receivables	7,731,159	7,138,380	
	8,372,813	7,138,380	
Less: Allowance for impairment loss	(7,781)	(613)	
•	8,365,032	7,137,767	
At FVTOCI	<u>757,834</u>	1,295,421	
	\$ 9,122,866	\$ 8,433,188	
	<del> 2 2</del>	(Continued)	

	December 31		
	2023	2022	
Other receivables (b)			
At amortized cost			
Interest receivables	\$ 1,197,000	\$ 625,128	
Tax refund receivables	515,279	444,844	
Others	542,924	516,352	
	2,255,203	1,586,324	
Less: Allowance for impairment loss	(47,010)	(47,060)	
•	2,208,193	1,539,264	
At FVTOCI	<u>721,885</u>	4,590,718	
	\$ 2,930,078	\$ 6,129,982	
	<u>Ψ 2,730,070</u>	<del></del>	
	<del>,2 - 3, 5 - 5</del>	(Concluded)	

#### a. Notes and trade receivables

#### 1) At amortized cost

The average credit period on sales of goods is 45 to 105 days after the end of the month in which sales occur. No interest was charged on trade receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes and trade receivables at an amount equal to lifetime ECLs. The expected credit losses on notes and trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

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

#### 2) At FVTOCI

For some trade receivables, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix:

#### December 31, 2023

	Not Past Due and Up to 60 Days	61 to	90 Days	91 to 1	80 Days	Over	180 Days	Tota	ıl
Gross carrying amount Loss allowance (Lifetime ECLs)	\$ 9,075,971	\$	47,503 (608)	\$	-	\$	7,173 (7,173)	\$ 9,130	,
Amortized cost	<u> </u>	\$	46,895	\$		\$	<u>(7,173</u> )	\$ 9,122	2,781) 2,866
<u>December 31, 2022</u>									
	Not Past Due and Up to 60 Days	61 to	90 Days	91 to 1	80 Days	Over	180 Days	Tota	ıl
Gross carrying amount Loss allowance (Lifetime	\$ 8,433,051	\$	137	\$	-	\$	613	\$ 8,433	3,801
ECLs)	<del>-</del>				<u>-</u>	_	(613)		<u>(613</u> )
Amortized cost	<u>\$ 8,433,051</u>	\$	137	\$	<u>-</u>	\$	<u>-</u>	\$ 8,433	3,188

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

	For the Year Ended December 31			
	2023	2022		
Balance, beginning of year Add: Net remeasurement of loss allowance Less: Net remeasurement of loss allowance Foreign exchange gains and losses	\$ 613 6,919 - 249	\$ 20,633 (22,300) 2,280		
Balance, end of year	<u>\$ 7,781</u>	<u>\$ 613</u>		

#### b. Other receivables

As of December 31, 2023 and 2022, the Group's other receivables mainly consists of factored but unfunded receivables, interest receivables and tax refund receivables. Apart from interest receivables and tax refund receivables is less than 60 days (based on the invoice date).

### 1) At amortized cost

The Group assessed an allowance for impairment loss on other receivables by reference to the recoverability of receivables. After evaluating the operations and recoverability of the receivables from debtors, the Group recognized an allowance for impairment loss of 100% against the other receivables.

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

	For the Year Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 47,060	\$ 54,379	
Less: Net remeasurement of loss allowance	(39)	(215)	
Less: Amounts written off	-	(11,755)	
Foreign exchange gains and losses	(11)	<u>4,651</u>	
Balance, end of year	<u>\$ 47,010</u>	<u>\$ 47,060</u>	

### 2) At FVTOCI

For some other receivables, the Group will decide whether to sell these other receivables to banks without recourse based on its level of working capital. These other receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

### 11. INVENTORIES

	December 31		
	2023	2022	
Finished goods Work in progress	\$ 3,198,793 514,728	\$ 4,537,556 440,854	
Raw materials		4,291,722	
	<u>\$ 6,594,415</u>	\$ 9,270,132	

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was \$66,717,661 thousand and \$93,386,269 thousand, respectively.

The accounts listed below were included in cost of goods sold:

	For the Year Ended December 31		
	2023	2022	
Recognition of inventory write-downs (Reversed) loss of purchase commitments Loss on inventory scraps	\$ 12,22 57,07	` ' '	
	\$ 69,30	<u>\$ 255,269</u>	

Because of the characteristics of the industry, the product life cycle is short. Therefore, there is an accrued allowance for losses on inventory with aging of over 360 days.

Due to the characteristics of the industry and market fluctuations, certain raw materials are no longer usable. After evaluating the loss of purchase commitments, for the year ended December 31, 2023, the Group recognized a loss on purchase commitments in the amount of \$12,228 thousand, and for the year ended December 31, 2022, the Group reversed a loss on purchase commitments in the amount of \$5,710 thousand. As of December 31, 2023 and 2022, the Group estimated and recognized short-term provisions for purchase commitments (Note 20) in the amounts of \$10,973 thousand and \$3,724 thousand, respectively.

## 12. SUBSIDIARIES

# a. Subsidiaries included in the consolidated financial statements

			Propor Owners		
			Decem	ber 31	
Investor	Investee	Nature of Activities	2023	2022	Remark
TPK Holding Co.,	Improve Idea Investments Ltd. ("Improve")	Holding company	100.00	100.00	
Ltd. ("TPKH")	Upper Year Holdings Limited ("UYH")	Holding company	100.00	79.49	28)
	Ray-Star Universal Solutions Limited ("RUSL")	Holding company	100.00	100.00	28)
	Amplifi Technologies Inc. ("AMPH")	Holding company; research, development, manufacture and sale of resin products	57.69	57.69	15)
Improve	TPK Asia Pacific Sdn. Bhd. ("TPKA")	Holding company	100.00	100.00	1)
TPKA	TPK Touch Solutions Inc. ("TPKT")	Touch related material, modules and electric utility vehicles sales	100.00	100.00	
TPKT	DS Energy Technology Co., Ltd. ("DSE")	Solar energy system development and equipments trade, maintenance, installation and management services	50.22	50.22	14)
	Stellar Energy Technology Inc. ("TPKE")	Electrical equipments manufacture	70.00	-	17)
UYH	Optera TPK Holding Pte. Ltd. ("OTH")	Holding company	100.00	100.00	3)
	TPK Universal Solutions Limited ("TPK HK")	Touch modules related product research; holding company and international trade	100.00	100.00	5) and 8)
OTH	TPK America, LLC ("TPKU")	International trade	-	100.00	21)
	TPK Touch Solutions (Xiamen) Inc. ("TPKC")	Touch modules research, development, manufacture and sales	84.11	84.11	3)
RUSL	Upper Year Holdings Limited ("UYH")	Holding company	-	20.51	28)
ТРК НК	TPK Glass Solutions (Xiamen) Inc. ("TPKG")	Touch modules research, development, manufacture and sales	100.00	100.00	7), 11), 18), 22), 23) and 24)
	TPK Touch Solutions (Pingtan) Inc. ("TPKP")	Touch modules research, development, manufacture and sales	100.00	100.00	
	TPK Advanced Solutions Inc. ("TPKD")	Touch modules research, development, manufacture and sales	52.00	52.00	
	TPK Touch Solutions (Xiamen) Inc. ("TPKC")	Touch modules research, development, manufacture and sales	15.89	15.89	3)
	XiaMen Jan Jia Optoelectronics Co., Ltd. ("TPKJ")	Protective film and optical adhesive manufacture and sales	-	51.00	18)
	TPK Material Solutions (Xiamen) Inc. ("TPKMT")	Electronic materials manufacture	100.00	100.00	
	TPK Film Solutions (Xiamen) Inc. ("TPKF")	Touch modules, protective film and optical adhesive manufacture and sales	-	43.27	3) and 27)
	TPK Touch Systems (Xiamen) Inc. ("TPKS")	Touch modules research, development, manufacture and sales	100.00	100.00	8) and 24)
TPKC	TPK Advanced Solutions Inc. ("TPKD")	Touch modules research, development, manufacture and sales	48.00	48.00	
	XiaMen Jan Jia Optoelectronics Co., Ltd. ("TPKJ")	Protective film and optical adhesive manufacture and sales	49.00	49.00	
	TPK Film Solutions (Xiamen) Inc. ("TPKF")	Touch modules, protective film and optical adhesive manufacture and sales	-	56.73	3) and 27)
	TPK Trading (Xiamen) Inc. ("TPKCA")	Trade, touch modules manufacture and sales	100.00	100.00	9) and 25)
TPKG	Trend Technology (Xiamen) Inc. ("TPKQ")	Inspection and testing services	100.00	100.00	
	TPK Auto Tech (Xiamen) Limited ("AUTO XM")	Touch modules research, development, manufacture and sales	90.00	90.00	12)
	TPK MasTouch Solutions (Xiamen) Inc. ("MTOH")	Touch modules research, development, manufacture and sales	100.00	100.00	7)
	TPK Precision (Xiamen) Inc. ("TPKGA")	Electric utility vehicles manufacture and optoelectronic components manufacture and sales	100.00	100.00	10)
	XiaMen Jan Jia Optoelectronics Co., Ltd. ("TPKJ")	Protective film and optical adhesive manufacture and sales	51.00	-	18)
	TPK Film Solutions (Xiamen) Inc. ("TPKF")	Touch modules, protective film and optical adhesive manufacture and sales	100.00	-	27)
TPKGA	TPK Precision Hong Kong Co., Limited ("TPKGA HK")	International trade	100.00	-	19)
TPKJ AMPH	Jan Jia Trading Company Limited ("TPKJ HK")  Amplifi Tech Hong Kong Co., Limited ("AMP HK")	International trade Holding company and international trade	100.00 100.00	100.00 100.00	16)
	Amplifi Channels Hong Kong Co., Limited ("AMPCH")	International trade	100.00	100.00	2)
AMP HK	Amplifi Tech (Xiamen) Limited ("AMP XM")	Resin products research, development, manufacture and sales	100.00	100.00	6)
AUTO XM	TPK Auto Tech Co., Limited ("AUTO HK")	International trade	100.00	100.00	13) and 26)
AUTO HK	TPK Auto Tech (Thailand) Company Limited ("AUTO TH")	Touch modules research, development, manufacture and sales	100.00	-	20)

#### Remark:

- 1) In order to streamline the organizational structure, the Company resolved to dissolve and liquidate TPKA. As of March 29, 2024, the process of dissolution and liquidation was not completed.
- 2) To expand product channels, the Company's board of directors resolved that AMPH set up AMPCH in Hong Kong as its subsidiary and received a capital investment of US\$10 thousand in January 2022.
- 3) For organizational restructuring purposes, the Company's board of directors resolved that OTH issue new shares to UYH and for OTH to acquire a 73.84% shareholding of TPKC held by UYH in exchange. The capital increase was completed on November 4, 2023. After the capital increase, the percentage of TPKC's equity held by OTH increased from 10.27% to 84.11%.
  - The Company's board of directors resolved that TPKC shall issue shares to TPK HK to exchange the shares of TPKF, which are held by TPK HK. After the exchange, TPKC will merge with TPKF and become the surviving company. After the merger, the percentages of TPKC's equity held by OTH and TPK HK are 80.11% and 19.89%, respectively. However, in line with the organizational restructuring, the Company's board of directors agreed on November 9, 2023 to rescind this merger.
- 4) In order to streamline the organizational structure, the process of dissolution and liquidation of TPK Material Solutions Inc. was completed on June 27, 2022.
- 5) In order to streamline the organizational structure, TPK HK resolved to deliver the registration of the annulment of its branch in Japan. The deregistration was completed on July 5, 2022.
- 6) For operational needs, AMP HK resolved the cash capital increase on AMP XM in the amount of US\$2,000 thousand and has invested US\$1,000 thousand each in November 2022 and January 2024, respectively.
- 7) For organizational restructuring purposes, the Company's board of directors resolved that TPKG issue new shares to TPK HK and that TPKG acquire a 100% shareholding of MTOH held by TPK HK in exchange. The capital increase was completed on March 17, 2022. After the capital increase, MTOH became TPKG's subsidiary.
- 8) For organizational restructuring purposes, the Company's board of directors resolved that TPK HK issue new shares to UYH and that TPK HK acquire a 100% shareholding of TPKS held by UYH in exchange. The capital increase was completed on January 4, 2022. After the capital increase, TPKS became TPK HK's subsidiary.
- 9) For operational needs, the Company's board of directors resolved that set up TPKCA by injecting capital of RMB1,000 thousand and transferring the real estate investment from TPKC. The real estate investment and capital injection were completed on December 30, 2021 and January 10, 2022, respectively.
- 10) For operational needs, the Company's board of directors resolved that set up TPKGA by injecting capital of RMB1,000 thousand and transferring the real estate investment from TPKG. The capital injection of RMB1,000 thousand was completed in June 2022. However, in consideration of the business and operational needs in future, on August 18, 2022, the Company's board of directors resolved to cancel the real estate investment and invested RMB39,000 thousand instead, and then the capital amount decreased to RMB40,000 thousand. The Company invested RMB13,000 thousand, RMB11,000 thousand and RMB15,000 thousand in December 2022, February 2023 and August 2023, respectively.

- 11) In consideration of the Group's overall operational planning and transaction process adjustment, TPKG resolved to set up a Jimei branch, which was set up on March 16, 2022.
- 12) AUTO XM planned to cooperate with TES Touch Embedded Solutions (Xiamen) Co., Ltd. (TES XM) as a strategic investor. Through the experience and technology of TES XM in system design and assembly, both parties can expand the product lines in the field of automotive electronics to increase core competitiveness and expand the customer base. Therefore, the Company's board of directors resolved that TPKG sold a 10% shareholding of AUTO XM to TES XM, at the same time given TES XM the right to increase its shareholding in AUTO XM to not more than 49% within two years after the completion of the transaction, based on the same valuation of AUTO XM in this transaction of US\$39,800 thousand. The transaction of the equity transfer was completed on May 23, 2022. Refer to Note 28 for more information.

In order to strengthen the core competitiveness of AUTO XM and to improve the operation of AUTO XM, the board of directors of the Company sold a 60% shareholding of AUTO XM to TES XM by TPKG on September 27, 2023 for US\$25,080 thousand, and the transaction of the equity transfer was completed on January 26, 2024. After the transaction, the percentage of AUTO XM's equity held by TPKG decreased from 90% to 30%, and AUTO XM was excluded in the consolidated financial statements.

- 13) For the needs of customers' businesses and the operation of the Group's business units, AUTO HK resolved to set up a branch office in Taiwan. However, in consideration of the investment structure adjustment and the global layout, the Company's board of directors agreed to revoke the proposal on March 7, 2024.
- 14) Optimistic about the prospects of the green energy industry and the needs of corporate ESG, TPKT's board of directors resolved to participate in the cash capital increase of DSE. TPKT completed the capital increase of \$60,000 thousand in DSE and acquired 50.22% of the equity of DSE on May 11, 2022. Refer to Note 27 for more information.

To develop the solar field and maintenance business, on July 19, 2022 DSE's board of directors resolved to establish Tonglit Solar Technology Co., Ltd. (Tonglit Solar) with 5,890 thousand as a joint venture with Tonglit Green Energy Co., Ltd. (Tonglit Green Energy). The proposed capital amount is \$31,000 thousand. DSE would acquire 19% of the equity of Tonglit Solar. However, Tonglit Green Energy planned to establish Tonglit Solar as a sole proprietorship because of its desire to expand investment. Therefore, the two parties decided not to sign a joint venture agreement in December 2022.

- 15) To increase the flexibility of introducing other investors in the future, AMPH's board of directors resolved to revise the original par value of the stock from US\$0.01 per share to US\$0.1 per share and changed the number of shares authorized by the original articles of association from 5,000 thousand shares to 150,000 thousand shares. The change in the par value of each share was completed on October 14, 2022. The original capital surplus recognized on the issuance of shareholding was fully transferred to increase the capital. After the capital increase, the number of issued shares of AMPH increased to 104,000 thousand shares.
- 16) For operational needs, the Company's board of directors resolved that AMP HK set up a subsidiary in Thailand with a proposed capital amount of THB20,000 thousand. As of March 29, 2024, the registration was not completed.

- 17) For operational needs, the Company's board of directors resolved that TPKT set up TPKE in Taiwan as its subsidiary, which was completed on July 27, 2023 and received a capital investment of \$1,000 thousand in July 2023.
  - In addition, TPKE is optimistic about the energy storage market; in order to develop towards the back-end energy storage market, such as commercial and residential energy storage systems and charging station, TPKE has introduced an outside investor, HD, to join the joint venture by means of a cash capital increase. Therefore, TPKT's board of directors resolved that TPKE proposed to carry out a capital increase in cash of \$119,000 thousand, of which HD subscribed for \$36,000 thousand. The cash capital increase was completed on October 2, 2023. After the capital increase, TPKE's capital increased to NT\$120,000 thousand, and the percentage of TPKE's equity held by TPKT decreased from 100% to 70%. Refer to Note 28 for the more information.
- 18) For organizational restructuring purposes, the Company's board of directors resolved that TPKG issue new shares to TPK HK, and TPKG acquire a 51% shareholding of TPKJ held by TPK HK in exchange. The capital increase was completed on May 19, 2023. After the capital increase, TPKJ became TPKG's subsidiary.
- 19) For operational needs, the Company's board of directors resolved that TPKGA set up TPKGA HK in Hong Kong as its subsidiary, which was completed on June 15, 2023 and received a capital investment of US\$4 thousand on December 28, 2023.
- 20) For operational needs, the Company's board of directors resolved that AUTO HK set up AUTO TH in Thailand as its subsidiary, which was completed on September 4, 2023 and received a capital investment of Baht 43,536 thousand, Baht 34,800 thousand, and Baht 71,664 thousand on October 19, 2023, December 18, 2023, and January 8, 2024, respectively.
- 21) In order to streamline the organizational structure, TPKU was completed the dissolution and liquidation process on November 14, 2023.
- 22) For operational needs, the Company's board of directors resolved the cash capital increase on TPKG in the amount of US\$90,000 thousand and US\$31,780 thousand, which were completed in September 2023 and January 2024, respectively.
- 23) In consideration of the strategic layout of the touch panel industry, strengthen the upstream and downstream integration and master the strategic cooperation of key materials, the Company's board of directors resolved that TPKG and FlexTouch Technologies Co. decided to cooperate in a joint venture, Good-Pro Electronic Technology (Xiamen) Inc. (GoodPro), which was completed on September 14, 2023, with a proposed capital amount of RMB22,000 thousand. TPKG will acquire a 55% shareholding of GoodPro at a price of RMB12,100 thousand, but as of March 29, 2024, the capital contribution was not completed; and GoodPro planned to set up a wholly-owned subsidiary, Chenergy Electronic Materials (Zhejiang) Inc. in Wuzhen, Zhejiang, China, which was completed on December 13, 2023, with a proposed capital amount of RMB12,000 thousand, but as of March 29, 2024, the capital contribution was not completed.
- 24) In order to achieve the objectives of resource integration, reduction of operating costs and enhancement of operational efficiency, the Company's board of directors resolved to merge its subsidiaries, TPKG and TPKS, with the base date of the merger being March 1, 2024. After the merge, TPKG will be the surviving company and TPKS will be the extinguished company.
- 25) TPKCA has changed its name from TPK Core Asset (Xiamen) Inc. to TPK Trading (Xiamen) Inc. in August 2023 to cope with the business change.

- 26) The Company's board of directors resolved that the cash capital increase on AUTO HK in the amount of US\$4,000 thousand. After the capital increase, AUTO HK's capital increased from US\$1,000 thousand to US\$5,000 thousand, and received a capital investment of US\$3,100 thousand on December 15, 2023.
- 27) In order to streamline the organizational structure, the Company's board of directors resolved that TPKC and TPK HK sold their 56.73% and 43.27% shareholding of TPKF to TPKG with the amount of US\$6,136 thousand and US\$4,680 thousand, respectively, and the transaction of equity transfer was completed on November 17, 2023. After the transaction, TPKF became TPKG's subsidiary.
- 28) In order to streamline the organizational structure, the Company's board of directors resolved to return 20.51% of the equity of UYH held by RUSL to the Company by the capital reduction in the amount of US\$300,134 thousand on RUSL, which was completed on December 29, 2023. After the capital reduction, the percentage of UYH's equity held by the Company increased from 79.49% to 100.00%. The Company also dissolved and liquidated RUSL, but as of March 29, 2024, the process of dissolution and liquidation procedures was not completed.

No subsidiary has material non-controlling interests in the Group.

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31		
	2023	2022	
<u>Investments in associates</u>			
Material associates Cando Corporation ("Cando") Associates that are not individually material	\$ -	\$ -	
UBCO	103,650		
	<u>\$ 103,650</u>	<u>\$ -</u>	

The following is a summary of related companies:

			Proportion of Ownership	
		<b>Principal Place</b>	Decem	ber 31
Name of Associate	Nature of Activities	of Business	2023	2022
Unlisted shares				
Cando	Touch modules research, development and manufacture	Taiwan	19.78%	19.78%
UBCO	Electric utility vehicles research, development, manufacture and sales	New Zealand	21.00%	-

The Group is able to exercise significant influence over Cando and UBCO. As such, the investment and the related profit and loss from the investment are accounted for using the equity method.

Due to the fact that Cando's assets were not sufficient enough to offset its liabilities, Cando declared bankruptcy on July 21, 2016, and the court announced its bankruptcy on January 17, 2018. After an assessment, the Group determined that the future recoverable amount for its investment in Cando was zero. As a result, the impairment loss of \$283,252 thousand was recognized at the end of the calendar year 2015. As of December 31, 2023 and 2022, the carrying amounts of the investment in Cando were zero.

On January 3, 2023, the Group participated in the cash capital increase on UBCO in the amount of US\$5,000 thousand and acquired 9,964 thousand preference shares. After the capital increase, the Group held a total of 29,312 thousand preference shares, and had a significant influence on UBCO. Due to UBCO's sustained operating losses, the Company management carried out the impairment test on the equity investment by comparing its recoverable amount with its carrying amount. In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operation of the invested company and from the ultimate disposal by using the annualized discount rate. The recoverable amount of the investment in UBCO based on the value-in-use was evaluated to be less than its carrying amount as of December 31, 2023, and the impairment loss of \$137,522 thousand was recognized in 2023.

The equity method investment's share of profit or loss and other comprehensive income or loss is based on unaudited financial statements; however, the management of the Group believes that the unaudited financial statements of the above investees are not significant enough to have a material effect on the Group's financial statements.

### 14. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2023				
	Buildings	Machinery and Equipment	Transportation and Others	Property in Construction	Total
Cost					
Balance, beginning of year Additions Disposals	\$ 26,266,445	\$ 34,953,024 - (7,598,044)	\$ 6,422,153 (432,348)	\$ 10,140 200	\$ 67,651,762 200 (8,030,392)
Reclassification Effects of foreign currency exchange	(8,367,222)	390,813	532,103	(200)	(7,444,506)
differences Balance, end of year	257,979 18,157,202	167,539 27,913,332	(5,040) 6,516,868	(2) 10,138	420,476 52,597,540
Accumulated depreciation					
Balance, beginning of year	11,314,650	25,756,240	5,480,484	-	42,551,374
Depreciation expenses	934,493	1,903,352	281,619	-	3,119,464
Disposals	-	(5,250,883)	(413,948)	-	(5,664,831)
Reclassification	(2,221,068)	-	-	-	(2,221,068)
Effects of foreign currency exchange					
differences	40,297	81,201	(1,162)	<u>-</u> _	120,336
Balance, end of year	10,068,372	22,489,910	5,346,993		37,905,275
Accumulated impairment losses					
Balance, beginning of year	2,993,614	4,886,321	368,642	-	8,248,577
Impairment losses	-	21,165	5,725	-	26,890
Disposals	-	(2,314,567)	(17,996)	-	(2,332,563)
Reclassification	(2,302,973)	-	-	-	(2,302,973)
Effects of foreign currency exchange					
differences	109,608	49,448	(35)		159,021
Balance, end of year	800,249	2,642,367	356,336		3,798,952
Carrying amount, end of year	<u>\$ 7,288,581</u>	<u>\$ 2,781,055</u>	<u>\$ 813,539</u>	\$ 10,138	\$ 10,893,313

	For the Year Ended December 31, 2022				
	Buildings	Machinery and Equipment	Transportation and Others	Property in Construction	Total
Cost					
Balance, beginning of year	\$ 23,777,003	\$ 37,675,391	\$ 5,756,612	\$ 107,310	\$ 67,316,316
Additions	-	-	-	220	220
Acquisitions through business combinations		484	40.242		40.726
	(1.112)		49,242	-	49,726
Disposals Reclassification	(1,113) 243,585	(5,729,395) 449,060	(136,007) 196,440	(114,476)	(5,866,515)
Effects of foreign currency exchange	243,363	449,000	190,440	(114,470)	774,609
differences	2,246,970	2,557,484	555,866	17,086	5,377,406
Balance, end of year	26,266,445	34,953,024	6,422,153	10,140	67,651,762
Balance, end of year	20,200,443	34,933,024	0,422,133	10,140	07,031,702
Accumulated depreciation					
Balance, beginning of year	9,232,517	26,592,210	4,852,254	-	40,676,981
Depreciation expenses	955,144	2,131,347	280,347	-	3,366,838
Acquisitions through business					
combinations	-	252	4,334	-	4,586
Disposals	(1,113)	(4,759,991)	(130,317)	-	(4,891,421)
Reclassification	165,225	-	-	-	165,225
Effects of foreign currency exchange					
differences	962,877	1,792,422	473,866		3,229,165
Balance, end of year	11,314,650	25,756,240	5,480,484		42,551,374
Accumulated impairment losses					
Balance, beginning of year	2,698,240	5,641,066	273,742	_	8.613.048
Impairment losses	2,070,210	-	571	_	571
Disposals	_	(952,786)	(4,588)	_	(957,374)
Reclassification	(163)	-	-	_	(163)
Effects of foreign currency exchange	( /				( /
differences	295,537	198,041	98,917	-	592,495
Balance, end of year	2,993,614	4,886,321	368,642		8,248,577
Carrying amount, end of year	<u>\$ 11,958,181</u>	\$ 4,310,463	\$ 573,027	<u>\$ 10,140</u>	<u>\$ 16,851,811</u>

Part of the equipment for manufacturing purposes could no longer be used due to an alteration in the manufacturing process; such equipment was provided with an allowance for impairment loss. The impairment loss shall be reserved subsequently if the idled equipment is used again after the alteration in the manufacturing process.

Because some of the machinery and equipment and lease improvements of the Group no longer have value in use, impairment losses were recognized for the years ended December 31, 2023 and 2022 as follows:

	December 31		
	2023	2022	
Operating costs Operating expenses	\$ - 	\$ 389 182	
	<u>\$ 26,890</u>	<u>\$ 571</u>	

The Group's buildings mainly consist of factories and the construction of clean rooms, which are depreciated over an estimated useful life ranging from 1 to 20 years.

Otherwise, the property, plant and equipment listed above are depreciated on a straight-line basis over the estimated useful lives as follows:

Building	1-20 years
Machinery and equipment	1-13 years
Transportation and others	1-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

### 15. LEASE ARRANGEMENTS

## a. Right-of-use assets

	December 31		
	2023	2022	
Carrying amounts			
Land Buildings Machinery Transportation equipment	\$ 691,516 2,515,915 33,438 3,525 \$ 3,244,394	\$ 896,811 2,827,335 255,364 2,543 \$ 3,982,053	
	For the Year End 2023	ded December 31 2022	
Additions to right-of-use assets	\$ 23,268	<u>\$ 349,290</u>	
Depreciation charge for right-of-use assets Land Buildings Machinery Transportation equipment	\$ 20,945 307,062 224,396 2,431 \$ 554,834	\$ 23,773 358,742 232,780 4,125 \$ 619,420	
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ 211</u>	<u>\$ 2,092</u>	

The Group has been subleasing its leasehold plant space located in Xiamen to Cambrios Film Solutions (Xiamen) Corporation between June 2020 and May 2023 under operating leases. The Group has been subleasing its leasehold plant space located in Zhongli to Cambrios Film Solutions Corporation Taiwan Branch between 2018 and April 2022 under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

### b. Lease liabilities

	Decem	December 31		
	2023 20			
Carrying amounts				
Current Non-current	\$\ 288,844 \$\ 2,477,132	\$ 479,411 \$ 2,822,557		

The discount rates for lease liabilities at the end of the year were as follows:

	Decen	December 31			
	2023	2022			
Buildings	1.1572%-4.8293%	1.1572%-4.8293%			
Machinery	0.9103%-2.7556%	0.9103%-3.5829%			
Transportation equipment	2.5550%-3.0150%	2.5550%-2.8650%			

### c. Material lease-in activities and terms

The Group leases certain official vehicles and machinery for operational use and the manufacturing of products with lease terms of 2-3 years. These arrangements do not contain renewal or purchase options.

The Group leases certain land and buildings for the use of plants and offices with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

#### d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 16.

	For the Year Ended December 31			
	2023	2022		
Expenses relating to short-term leases	<u>\$ 64,648</u>	<u>\$ 55,199</u>		
Expenses relating to low-value asset leases	<u>\$ 18</u>	<u>\$ 18</u>		
Total cash outflow for leases	<u>\$ (671,018</u> )	<u>\$ (669,390</u> )		

The Group's leases of certain official vehicles and buildings qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows (as of December 31, 2022: None):

	December 31, 2022
Lease commitments	<u>\$ 6,000</u>

#### 16. INVESTMENT PROPERTIES

Cost	Buildings	Assets	Total
Balance at January 1, 2023 Reclassification Effects of foreign currency exchange differences	\$ 313,111 8,367,422 (287,406)	\$ 40,471 197,315 (3,859)	\$ 353,582 8,564,737 (291,265)
Balance at December 31, 2023	\$ 8,393,127	\$ 233,927	\$ 8,627,054 (Continued)

	Buildings	Right-of-use Assets	Total
Accumulated depreciation			
Balance at January 1, 2023 Depreciation expenses Reclassification Effects of foreign currency exchange differences	\$ 115,611 173,814 2,221,068 (65,859)	\$ 3,838 4,846 19,864 (471)	\$ 119,449 178,660 2,240,932 (66,330)
Balance at December 31, 2023	\$ 2,444,634	\$ 28,077	\$ 2,472,711
Accumulated impairment			
Balance at January 1, 2023 Reclassification Effects of foreign currency exchange differences	\$ 7,849 2,302,973 (110,097)	\$ - - -	\$ 7,849 2,302,973 (110,097)
Balance at December 31, 2023	<u>\$ 2,200,725</u>	<u>\$</u>	\$ 2,200,725
Carrying amounts at December 31, 2023	\$ 3,747,768	\$ 205,850	<u>\$ 3,953,618</u>
Cost			
Balance at January 1, 2022 Disposals Reclassification Effects of foreign currency exchange differences Balance at December 31, 2022	\$ 301,711 (238,137) 249,537 \$ 313,111	\$ 45,633 (9,154) 	\$ 347,344 (9,154) (238,137) 253,529 \$ 353,582
Accumulated depreciation	<u>Ψ 313,111</u>	Ψ το;τ/1	<u> </u>
Balance at January 1, 2022 Depreciation expenses Disposals Reclassification Effects of foreign currency exchange differences	\$ 106,702 91,400 - (165,225) 82,734	\$ 10,487 2,209 (9,154) - 296	\$ 117,189 93,609 (9,154) (165,225) 83,030
Balance at December 31, 2022	<u>\$ 115,611</u>	\$ 3,838	<u>\$ 119,449</u>
Accumulated impairment			
Balance at January 1, 2022 Reclassification Effects of foreign currency exchange differences	\$ 7,084 163 602	\$ - - -	\$ 7,084 163 602
Balance at December 31, 2022	<u>\$ 7,849</u>	<u>\$</u>	<u>\$ 7,849</u>
Carrying amounts at December 31, 2022	<u>\$ 189,651</u>	\$ 36,633	\$ 226,284 (Concluded)

In order to activate the land use rights of TPKP, TPKP signed a land development contract with Land Development Corporation of Pingtan Comprehensive Pilot Zone ("Land Development Corporation") and Fujian Luheng Construction Engineering Company Limited ("Luheng") in August 2018. TPKP consigned Luheng to build dormitories which were sold to Luheng and Land Development Corporation upon the construction completion. The land development project is about 3 years. TPKP signed a selling agreement and construction contract for RMB1,255,000 thousand. In December 2021, TPKP signed a supplementary agreement with Land Development Corporation and Emerging Investment Development Co., Ltd of Pingtan Comprehensive Pilot Zone ("Emerging Investment"). Land Development Corporation will transfer the assumed rights and obligations to Emerging Investment. The construction of the premises has been completed, and the real estate certificate has been obtained. TPKP and Emerging Investment have started the acceptance and transfer procedures of the premises. As of December 31, 2023, TPKP received an amount of RMB769,856 thousand and paid Luheng an amount of RMB925,281 thousand for construction costs. The received payment was classified as other receivables. The land use rights met the definition of the right-of-use assets of investment properties, which were presented as investment properties.

Right-of-use assets included in investment properties are units of plant space in Xiamen and Zhongli and were subleased under operating leases to Cambrios Film Solutions (Xiamen) Corporation and Cambrios Film Solutions Corporation Taiwan Branch.

The investment properties were leased out for 1-10 years, with an option to extend for an additional 1 year. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 were as follows:

	December 31			
	2023	2022		
Year 1	\$ 8,819	\$ 11,019		
Year 2	8,115	9,401		
Year 3	7,844	9,032		
Year 4	7,701	8,751		
Year 5	7,701	8,579		
Year 6 onwards		<u>17,490</u>		
	<u>\$ 47,881</u>	<u>\$ 64,272</u>		

Investment properties are depreciated using the straight-line basis over the estimated useful lives as follows:

Buildings	9-20 years
Right-of-use assets	17-50 years

Management was unable to reliably measure the fair value of investment property located at Xiamen, the market is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

## 17. INTANGIBLE ASSETS

	For the Year Ended December 31, 2023					
	Goodwill	Computer Software	Patents	Customer Relationship	Others	Total
Cost						
Balance, beginning of year Additions Disposals Effects of foreign currency	\$ 676,934 - -	\$ 411,454 19,056 (21,726)	\$ 44,790 - -	\$ 45,675 - -	\$ 690 - -	\$ 1,179,543 19,056 (21,726)
exchange differences	(108)	17	(22)	(7)		(120)
Balance, end of year	676,826	408,801	44,768	45,668	690	1,176,753
Accumulated amortization						
Balance, beginning of year	-	362,410	32,987	1,523	689	397,609
Amortization expenses	-	24,026	8,054	2,314	-	34,394
Disposals	-	(18,063)	-	-	-	(18,063)
Effects of foreign currency						
exchange differences	<del>_</del>	215	(119)	(31)		65
Balance, end of year		368,588	40,922	3,806	689	414,005
Accumulated impairment losses						
Balance, beginning of year	668,846	9,404	8	-	1	678,259
Disposals	· -	(3,663)	-	-	-	(3,663)
Effects of foreign currency						
exchange differences	(106)	2			<del>-</del>	(104)
Balance, end of year	668,740	5,743	8		1	674,492
Carrying amounts balance, end of						
year	<u>\$ 8,086</u>	<u>\$ 34,470</u>	\$ 3,838	<u>\$ 41,862</u>	<u>s -</u>	<u>\$ 88,256</u>

	For the Year Ended December 31, 2022						
	Goodwill	Technical Know-how	Computer Software	Patents	Customer Relationship	Others	Total
Cost							
Balance, beginning of year Additions Acquisitions through business	\$ 611,976 -	\$ 13,853	\$ 373,338 18,584	\$ 40,973 -	\$	\$ 11,807 -	\$ 1,051,947 18,584
combinations Disposals Effects of foreign currency	-	(15,232)	1,869 (3,482)	(540)	43,895	(12,223)	45,764 (31,477)
exchange differences Balance, end of year	64,958 676,934	1,379	21,145 411,454	4,357 44,790	1,780 45,675	1,106 690	94,725 1,179,543
Accumulated amortization							
Balance, beginning of year Amortization expenses Acquisitions through business	-	13,853	324,130 22,255	22,890 7,733	1,507	11,806	372,679 31,495
combinations Disposals Effects of foreign currency	-	(15,232)	1,535 (3,460)	(362)	-	(12,223)	1,535 (31,277)
exchange differences Balance, end of year		1,379	17,950 362,410	2,726 32,987	16 1,523	1,106 689	23,177 397,609
Accumulated impairment losses							
Balance, beginning of year Disposals Effects of foreign currency	604,686	-	8,638 (22)	8 -	-	1 -	613,333 (22)
exchange differences Balance, end of year	64,160 668,846		788 9,404	8		<u>-</u> 1	64,948 678,259
Carrying amounts balance, end of year	\$ 8,088	<u>\$</u>	<u>\$ 39,640</u>	<u>\$ 11,795</u>	<u>\$ 44,152</u>	<u>\$</u>	<u>\$ 103,675</u>

The intangible assets listed above are amortized on a straight-line basis over the estimated useful lives as follows:

Technical know-how	4 years
Computer software	1-6 years
Patents	5-19 years
Customer relationship	20 years
Other intangible assets	3-5 years

#### 18. BORROWINGS

### a. Short-term borrowings

	December 31		
	2023	2022	
Discounted bill borrowings			
Banker's acceptance bill-discounted loans	\$ 1,598,770	\$ 2,556,994	
<u>Unsecured borrowings</u>			
Bank loans	9,900,787	4,880,082	
	<u>\$ 11,499,557</u>	<u>\$ 7,437,076</u>	

The bills drawn on inter-subsidiary transactions were provided to banks as an acceptance for the discounted loan, and the relevant bills were eliminated upon consolidation. As of December 31, 2023 and 2022, the amount of bills issued were 1,598,770 thousand and 2,556,994 thousand, respectively. The interest rate of bill-discounted loans were 1.10%-1.65% and 1.30%-2.45% per annum on December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the range of weighted average effective interest rates on bank loans were 1.60%-5.91% and 1.84%-4.72% per annum, respectively.

### b. Long-term borrowings

	December 31			1
	2023		2022	
Secured borrowings (Note 33)				
Bank loans	\$	273,360	\$	38,126
<u>Unsecured borrowings</u>				
Bank loans		18,005,322 18,278,682		16,842,711 16,880,837
Less: Current portion (due within one year)		(2,667,521)		(4,911,779)
Long-term borrowings	\$	15,611,161	\$ 1	11,969,058

As of December 31, 2023 and 2022, the remaining maturity periods for long-term loans did not exceed 15 years and 4 years, respectively. The effective annual interest rates ranged from 2.00% to 7.11% and 1.45% to 6.68%, respectively.

For repayment of maturing syndicated borrowings and replenishment of medium- and long-term working capital, the Company's board of directors resolved to apply for a joint credit line on March 11, 2021. The Company signed a 3-year syndicated loan which amounted to US\$100,000 thousand with 8 financial institutions including Taipei Fubon Commercial Bank in May 2021, and the loan was fully utilized in June 2021. Additionally, the Company promised the lender the condition of maintaining these financial ratios for the existence of the loan agreement. As of December 31, 2023, the Company has not breached the terms of the loan agreement.

## 19. OTHER LIABILITIES

	December 31	
	2023	2022
Other payables		
Payables for purchase of equipment	<u>\$ 437,989</u>	\$ 486,636
Other payables - others		
Payable for salaries and bonuses	\$ 723,458	\$ 1,003,846
Payable tax	522,873	496,666
Payable for unused paid leaves	170,541	197,552
Payable for repairs	137,819	145,678
Others	681,195	972,622
	<u>\$ 2,235,886</u>	\$ 2,816,364
Refund liabilities (Note 23)	<u>\$ 654,674</u>	<u>\$</u>

Refund liabilities are amounts to be refunded to customers when certain conditions are met in the future, based on the contracted prices of goods sold.

## **20. PROVISIONS**

		December 31	
		2023	2022
Current			
Warranties (a) Onerous contracts (b)		\$ 1,370,463 10,973	\$ 1,802,227 3,724
		<u>\$ 1,381,436</u>	<u>\$ 1,805,951</u>
	Warranties	Onerous Contracts	Total
Balance at January 1, 2023 (Reversal) additions Usage Effects of foreign currency exchange differences	\$ 1,802,227 (196,846) (244,359) 	\$ 3,724 12,228 (4,860) (119)	\$ 1,805,951 (184,618) (249,219) 9,322
Balance at December 31, 2023	<u>\$ 1,370,463</u>	<u>\$ 10,973</u>	<u>\$ 1,381,436</u>
Balance at January 1, 2022 Additions (reversal) Usage Effects of foreign currency exchange differences	\$ 1,555,403 384,618 (313,691) 175,897	\$ 13,262 (5,710) (5,032) 1,204	\$ 1,568,665 378,908 (318,723) 177,101
Balance at December 31, 2022	<u>\$ 1,802,227</u>	\$ 3,724	<u>\$ 1,805,951</u>

- a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate was made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- b. The provision for onerous contracts represents the loss that the Group is presently obligated to make under non-cancellable onerous purchase contracts where the purchased materials and supplies cannot be used for other products. The estimate may vary as a result of changes in future products.

#### 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

TPKT, TPK HK Taiwan Branch, AMPH Taiwan Branch, DSE and TPKE adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Company's subsidiaries in China are members of retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Company with respect to the retirement benefit plans is to make the specified contributions.

The Company's subsidiaries in the USA are required to contribute to the retirement benefit schemes according to the respective policies.

## b. Defined benefit plans

The defined benefit plans adopted by TPKT and TPK HK Taiwan Branch, in accordance with the Labor Standards Act, are operated by the Government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The subsidiary contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation Fair value of plan assets	\$ 15,186 (15,470)	\$ 16,120 (14,773)
Net defined benefit (asset) liability	<u>\$ (284)</u>	<u>\$ 1,347</u>

Movements in the net defined benefit plans were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Balance at January 1, 2022 Service cost	\$ 17,024	<u>\$ (13,243</u> )	\$ 3,781
Net interest expense (income)	103	(81)	22
Recognized in profit or loss	103	(81)	22
Remeasurement			
Return on plan assets (excluding amounts			
included in net interest)	-	(1,024)	(1,024)
Actuarial gain - experience adjustments	(1,007)	<del>-</del>	(1,007)
Recognized in other comprehensive income	(1,007)	(1,024)	(2,031)
Contributions from the employer	<del>_</del>	(425)	425)
Balance at December 31, 2022	<u>16,120</u>	(14,773)	1,347
Service cost			
Net interest expense (income)	202	<u>(188</u> )	14
Recognized in profit or loss	202	(188)	14
Remeasurement			
Return on plan assets (excluding amounts		(126)	(126)
included in net interest)	(1.126)	(126)	(126)
Actuarial gain - experience adjustments	<u>(1,136)</u>	(126)	(1,136) (1,262)
Recognized in other comprehensive income	(1,136)	<u>(126)</u>	(1,262)
Contributions from the employer	<del>_</del>	(383)	(383)
Balance at December 31, 2023	<u>\$ 15,186</u>	<u>\$ (15,470</u> )	<u>\$ (284)</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in both domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rate	1.25%	1.25%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate		
0.25% increase	\$ (290)	\$ (359)
0.25% decrease	\$ 300	\$ 371
Expected rate of salary increase/decrease		
1% increase	<u>\$ 1,231</u>	<u>\$ 1,533</u>
1% decrease	<u>\$ (1,110)</u>	<u>\$ (1,363)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
Expected contributions to the plan for the next year	<u>\$ 383</u>	<u>\$ 425</u>
Average duration of the defined benefit obligation	10 years	12 years

## 22. EQUITY

### a. Share capital

### 1) Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	600,000	600,000
Shares authorized Number of shares issued and fully paid (in thousands)	\$ 6,000,000 406,664	\$ 6,000,000 406,664
Shares issued	<u>\$ 4,066,638</u>	\$ 4,066,638

Each holder of fully paid ordinary shares with a face value of \$10 has the right to dividends and to vote.

## 2) Global depositary receipts

The issuance of the GDRs was completed on October 1, 2012, April 8, 2015, and September 8, 2017, respectively. The GDRs were traded and listed on the Luxembourg Stock Exchange where 17,600 thousand, 20,000 thousand and 59,820 thousand (with 180 thousand units of ordinary shares reserved for employee subscription) units of GDRs. Every units represents one share.

In order to reduce management costs, the Company's board of directors resolved to terminate the issuance of GDR and delisted from the Luxembourg Stock Exchange on November 4, 2022. The termination procedure was completed on December 13, 2022.

## b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Recognized on issuance of ordinary shares Recognized on redemption of convertible bonds Treasury share transactions The difference between consideration received or paid and the	\$ 26,017,902 2,089,848 54,820	\$ 26,017,902 2,089,848 54,820
carrying amount of the subsidiary net assets during actual disposal or acquisition  May only be used to offset a deficit	3,075 28,165,645	3,075 28,165,645
Changes in net value of the associates accounted by using the equity method Changes in ownership interests in subsidiaries (2)  May not be used for any purpose	3,696 2,645 6,341	2,656 2,656
Share options	62,824	62,824
	\$ 28,234,810	<u>\$ 28,231,125</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company capital surplus).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

### c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), the Company may distribute its profits in accordance with the proposals made by the Company's board of directors for a distribution plan and approved in the annual shareholders' meeting. While distributing any profit, the profit shall be first utilized for offsetting losses of previous years, and 10% of the remaining profit shall be set aside as a legal reserve until the accumulated legal reserve equals the Company's paid-in capital. Secondly, the Company shall appropriate the remaining profit to a special reserve in accordance with the Applicable Public Company Rules or as requested by the competent authorities. Any remaining profit together with any undistributed retained earnings may be distributed as dividends (including cash dividends and share dividends) or bonuses under the Company Law of the Cayman Islands and Applicable Public Company Rules after taking into consideration the financial, business and operational factors. The total amount to be distributed as dividends shall be no less than 10 % of the remaining profit, where the total amount of the distributed cash dividends shall be greater than 10 % of the total dividends. However, if dividends per share is less than NT\$1 in any given year, the aforementioned 10% threshold shall not apply. The Company may decide to distribute cash dividends or share dividends in whole or in part at its sole discretion. If the Company's distribute earnings for the current year are less than 10% of the paid-in capital of the Company at the end of the fiscal year, the Company may decide not to pay any dividend (including cash dividends or stock dividends) for the current year. Refer to Note 24(f) for more information related to the Articles of association for distribution policy of employees' compensation and remuneration of directors.

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 6, 2023 and June 23, 2022, respectively, were as follows:

	2022		2021	
	(In Thousands of U.S. Dollars)	(In Thousands of N.T. Dollars)	(In Thousands of U.S. Dollars)	(In Thousands of N.T. Dollars)
Legal reserve	<u>\$ 1,911</u>	<u>\$ 58,647</u>	\$ 3,792	<u>\$ 112,976</u>
Special reserve	<u>\$ 67,358</u>	<u>\$ 2,067,221</u>	<u>\$ 6,365</u>	<u>\$ 189,610</u>
Cash dividends	<u>\$ 6,625</u>	<u>\$ 203,332</u>	<u>\$ 20,477</u>	<u>\$ 609,996</u>
Cash dividends per share		\$ 0.5		\$ 1.5

The appropriations of earnings for 2022 and 2021 in U.S. dollars were translated into N.T. dollars based on the average closing rates of US\$1 to NT\$30.69 and US\$1 to NT\$29.79, respectively, for buying and selling published by the Bank of Taiwan prior to the date of the annual shareholders' meeting.

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on March 7, 2024, was as follows:

	Appropriatio	Appropriation of Earnings	
	(In Thousands of U.S. Dollars)	(In Thousands of N.T. Dollars)	
Legal reserve Special reserve	\$ 683 \$ 13,172	\$ 21,363 \$ 412,137	

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on June 18, 2024.

## d. Other equity items

## Exchange differences on translation of financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance, beginning of year Recognized for the year Exchange differences on translating the financial statements of	\$ 2,018,194	\$ (1,131,483)
foreign operations Exchange differences on translating to presentation currency	(104,335) (9,927)	(622,582) 3,772,259
Balance, end of year	<u>\$ 1,903,932</u>	\$ 2,018,194
<u>Unrealized valuation loss on financial assets at FVTOCI</u>		
	For the Year End	led December 31
	2023	2022
Balance, beginning of year Recognized for the year	\$ (1,782,710)	\$ (448,419)
Unrealized loss - equity instruments	(295,115)	(1,334,291)
Balance, end of year	<u>\$ (2,077,825)</u>	<u>\$ (1,782,710</u> )

## e. Non-controlling interests

	For the Year Ended December 31		
	2023	2022	
Balance, beginning of year	\$ 319,867	\$ 150,786	
Share in profit for the year	17,696	37,958	
Other comprehensive income (loss) during the year	·	·	
Exchange differences on translating the financial statements of			
foreign operations	(26)	(3,638)	
Exchange differences on translating to presentation currency	2,872	23,738	
Cash dividends distributed by subsidiary	(82,314)	-	
Non-controlling interests arising from acquisition of DSE	-	59,472	
Partial disposal of AUTO XM	-	51,551	
Non-controlling interests arising from the cash capital increase			
of TPKE (Note 28)	36,011	<del>_</del>	
Balance, end of year	\$ 294,106	<u>\$ 319,867</u>	

## 23. REVENUE

	For the Year Ended December 31		
	2023	2022	
Revenue from the related sale of touch modules Others	\$ 62,984,217 6,877,014	\$ 88,362,030 <u>8,818,939</u>	
	<u>\$ 69,861,231</u>	\$ 97,180,969	

The Group's revenue mainly from the sale of touch modules, touch display and ITO glass-related products. Refer to Note 37 for the details of revenue.

Refer to Note 10 for the accounts receivable arising from the sale of goods.

The Group estimates the potential refundable liabilities in consideration of certain contract conditions. Refer to Note 19 for the details.

## 24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations:

### a. Interest income

	For the Year Ended December 31		
	2023	2022	
Bank deposits Others	\$ 1,928,631 7,358	\$ 789,975 25,369	
	<u>\$ 1,935,989</u>	\$ 815,344	

## b. Other income

		For the Year Ended December 31		
		2023	2022	
	Rental income Rental income from operating lease			
	Investment properties (Notes 15,16 and 32) Others	\$ 16,152 <u>11,368</u> 27,520	\$ 152,855 <u>16,431</u> 169,286	
	Others	<u>261,741</u>	<u>247,490</u>	
		<u>\$ 289,261</u>	<u>\$ 416,776</u>	
c.	Finance costs			
		For the Year End	ded December 31	
		2023	2022	
	Interest on bank loans Interest on lease liabilities	\$ 1,361,043 122,327	\$ 711,244 148,954	
	Total interest expense for financial liabilities measured at amortized cost	¢ 1 492 270	¢ 960 100	
	amortized cost	<u>\$ 1,483,370</u>	<u>\$ 860,198</u>	
d.	Depreciation and amortization			
		For the Year End	ded December 31	
		2023	2022	
	Property, plant and equipment Right-of-use assets	\$ 3,119,464 554,834	\$ 3,366,838 619,420	
	Investment properties	178,660	93,609	
	Intangible assets	34,394	31,495	
		<u>\$ 3,887,352</u>	\$ 4,111,362	
	An analysis of depreciation by function			
	Operating costs	\$ 3,294,035	\$ 3,514,767	
	Operating expenses Non-operating expenses	380,263 178,660	471,491 93,609	
			·	
		<u>\$ 3,852,958</u>	<u>\$ 4,079,867</u>	
	An analysis of amortization by function	4 11 001	40.504	
	Operating costs General and administrative expenses	\$ 11,931 15,011	\$ 10,601 15,208	
	Research and development expenses	7,452	5,686	
	- •			
		<u>\$ 34,394</u>	<u>\$ 31,495</u>	

### e. Employee benefits expense

	For the Year Ended December 31		
	2023	2022	
Post-employment benefits			
Defined contribution plans Defined benefit plans (Note 21)	\$ 381,110 14	\$ 370,630 22	
Other employee benefits	381,124 6,124,100	370,652 8,109,206	
Total employee benefits expense	<u>\$ 6,505,224</u>	\$ 8,479,858	
An analysis of employee benefits expense by function Operating costs Operating expenses	\$ 4,587,870 	\$ 6,374,061 2,105,797	
	\$ 6,505,224	<u>\$ 8,479,858</u>	

## f. Employees' compensation and remuneration of directors

In accordance with the annual shareholders' meeting resolved to the amendment in the Articles on June 23, 2022, the Company accrued employees' compensation at rates of no less than 0.1% and remuneration of directors at rates of no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.

The employees' compensation and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 8, 2023, respectively, were as follows:

## Accrual rate

	For the Year Ended December 31		
	2023	2022	
Employees' compensation Remuneration of directors	1.15%	1.02% 1.47%	

## <u>Amount</u>

	For the Year Ended December 31							
	2023			2022				
				nousands F. Dollars				housands T. Dollars
Employees' compensation Remuneration of directors	\$	80	\$	2,411	\$	200 288	\$	5,696 8,462

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors, and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAX RELATED TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Year Ended December 31		
	2023	2022	
Current tax			
In respect of the current year	\$ 433,129	\$ 503,373	
Adjustments for prior years	(132,307)	7,436	
	300,822	510,809	
Deferred tax			
In respect of the current year	126,164	32,385	
Adjustments for prior years	(60,071)	126,093	
Changes in tax rates	385	-	
Translation adjustments	(545)	8,880	
·	65,933	167,358	
Income tax expense recognized in profit or loss	<u>\$ 366,755</u>	\$ 678,167	

A reconciliation of accounting profit and income tax expense were as follows:

	For the Year Ended December 31		
	2023	2022	
Profit before tax from continuing operations	\$ 592,841	\$ 1,259,863	
Income tax expense calculated at the statutory rate	\$ 160,702	\$ 138,212	
Permanent differences	(109,149)	227,219	
Deferred tax effect of earnings of subsidiaries	113,680	(130,065)	
Unrecognized deductible temporary differences	(111,490)	(32,617)	
Unrecognized loss carryforwards	506,056	332,989	
Exchange differences on translating to presentation currency	(545)	8,880	
Adjustments for prior years' tax	(192,378)	133,529	
Others	(121)	20	
Income tax expense recognized in profit or loss	<u>\$ 366,755</u>	<u>\$ 678,167</u>	

## b. Current tax assets and liabilities

	December 31		
	2023	2022	
Current tax assets Tax refund receivable	<u>\$ 57,301</u>	<u>\$ 4,444</u>	
Current tax liabilities Income tax payable	<u>\$ 227,167</u>	<u>\$ 334,157</u>	

## c. Deferred tax assets and liabilities

	December 31			
	2023	2022		
Deferred tax assets				
Loss carryforwards	\$ 79,412	\$ 10,819		
Unrealized warranty expenses	333,263	391,212		
Unrealized losses on inventories	106,937	142,565		
Unrealized impairment losses	154,967	206,795		
Unrealized sales returns and allowance	130,540	-		
Others	276,497	280,824		
	<u>\$ 1,081,616</u>	\$ 1,032,215		
Deferred tax liabilities				
Unappropriated earnings of subsidiaries	\$ 2,046,718	\$ 2,451,483		
Unrealized foreign exchange gains	5,644	-		
Unrealized gains on financial instruments	217	-		
Others	35,117	38,704		
	<u>\$ 2,087,696</u>	\$ 2,490,187		

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

December 31		
2023	2022	
\$ 14,700,763	\$ 14,831,323	
806,601	856,830	
<del>_</del>	31,040	
<u>\$ 15,507,364</u>	\$ 15,719,193	
\$ 1.781.099	\$ 2,308,924	
354,032	424,937	
<u>\$ 2,135,131</u>	\$ 2,733,861	
	\$ 14,700,763 806,601 \$ 15,507,364 \$ 1,781,099 354,032	

e. Information about unused loss carryforwards

Loss carryforwards of subsidiaries as of December 31, 2022 were comprised of:

Year of Loss	Unused Amount	Creditable Amount	Expiry Year	
2017	\$ 26,648	\$ 5,329	2027	
2018	5,037	1,007	2028	
2019	3,097,417	639,057	2024 and 2029	
2020	3,495,537	723,116	2025 and 2030	
			(Continued)	

Year of Loss	Unused Amount	Creditable Amount	Expiry Year
2021 2022 2023	\$ 4,020,347 3,018,666 2,171,776	\$ 908,443 705,136 500,841	2026 and 2031 2027 2028 and 2033
	<u>\$ 15,835,428</u>	<u>\$ 3,482,929</u>	(Concluded)

### f. Income tax assessment

The income tax returns though 2021 of TPKT, TPK HK Taiwan Branch, AMPH Taiwan Branch, and DSE have been assessed by the tax authorities.

## g. Pillar Two Income Tax Act

The governments of the countries in which some of the Company's subsidiaries are domiciled have either enacted or substantively enacted legislation on the Pillar two Income Tax Act, and the Group does not yet have the related current income tax impact because the Act has not yet become effective as of the end of the reporting period. The Group will continue to review the impact of the Pillar two income tax bill on its future financial results.

### 26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

### **Net Profit for the Year**

	For the Year Ended December 31		
	2023	2022	
Earnings used in the computation of basic and diluted earnings per			
share	\$ 208,390	\$ 543,738	

## Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31		
	2023	2022	
Weighted average number of ordinary shares used in the computation			
of basic earnings per share	406,664	406,664	
Effect of potentially dilutive ordinary shares:			
Employees' compensation issued to employees	98	<u>272</u>	
Weighted average number of ordinary shares used in the computation			
of diluted earnings per share	406,762	406,936	

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group will assume that the entire amount of the compensation to be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 27. BUSINESS COMBINATIONS

### a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
DSE	Solar energy system development and equipments trade, maintenance, installation and management services	May 11, 2022	50.22	<u>\$ 60,000</u>

Optimistic about the prospects of the green energy industry and the needs of corporate ESG, the Group participated in the cash capital increase of DSE with the amount of 60,000 thousand and acquired 50.22% of the equity of DSE on May 11, 2022.

## b. Assets acquired and liabilities assumed at the date of acquisition

		DSE
Current assets		
Cash and cash equivalents	\$	74,301
Financial assets at amortized costs		1,000
Trade and other receivables		11,247
Inventories		1,843
Others		1,184
Non-current assets		
Property, plant and equipment		45,140
Right-of-use assets		8,404
Customer relationship and other intangible assets		44,229
Refundable deposits		1,045
Current liabilities		
Trade and other payables		(5,971)
Lease liabilities		(1,107)
Current portion of long-term borrowings		(8,715)
Others		(3,226)
Non-current liabilities		
Long-term borrowings		(42,572)
Lease liabilities		(7,330)
	<u>\$</u>	119,472

## c. Non-controlling interests

The non-controlling interest of DSE recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest.

### d. Net cash inflow on the acquisition of subsidiaries

	DSE
Consideration paid in cash	\$ (60,000)
Less: Cash and cash equivalent balances acquired	<u>74,301</u>
	<u>\$ 14,301</u>

## e. Impact of acquisitions on the results of the Group

The financial results of the acquirees in 2022 since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

DCE

	DSE
Operating revenue Net loss	<u>\$ 37,328</u> <u>\$ 2,451</u>

Had DSE concluded the acquisition at the beginning of 2022, the Group's revenue would have been \$97,224,291 thousand, and the profit would have been \$579,827 thousand for the year ended December 31, 2022. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2022, nor is it intended to be a projection of future results.

## 28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group did not subscribe to the cash capital increase of TPKE, a subsidiary, in proportion to its shareholding in October 2023, resulting in a decrease in its shareholding from 100% to 70%.

In May 2022, the Group disposed of 10% of its interest in AUTO XM and reduced its continuing interest from 100% to 90%.

Since the above transaction did not change the Group's control over the subsidiaries, the Group accounted for it as an equity transaction.

	TPKE	AUTO XM
Consideration received  The calculated by relative equity change carrying amount of the net	\$ 36,000	\$ 117,450
assets of the subsidiary transferred to non-controlling interests	(36,011)	(114,375)
Differences recognized from equity transactions	<u>\$ (11)</u>	\$ 3,075 (Continued)

	TPKE	AUTO XM
Line items adjusted for equity transaction		
Capital Surplus - differences between disposal or acquisition of the subsidiary actual amount and carry amount Capital Surplus - changes of the ownership interest in the subsidiary	\$ - (11)	\$ 3,075
	<u>\$ (11)</u>	\$ 3,075 (Concluded)

### 29. CASH FLOW INFORMATION

#### a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022:

As of December 31, 2023 and 2022, the Group's payables for the purchase of equipment amounted to \$437,989 thousand and \$486,636 thousand, respectively.

## b. Changes in liabilities arising from financing activities

### For the year ended December 31, 2023

			Non-cash Changes				
	Opening Balance	Cash Flows	New Leases	Amortization of Finance Costs	Exchange rate Changes	Others	Closing Balance
Short-term borrowings Long-term borrowings (including current	\$ 7,437,076	\$ 3,818,561	\$ -	\$ 55,196	\$ 188,724	\$ -	\$ 11,499,557
portion)	16,880,837	1,619,218	-	-	(221,373)	-	18,278,682
Guarantee deposits received	44,185	(11,985)	-	-	821	-	33,021
Lease liabilities	3,301,968	(606,352)	23,268	122,327	(40,570)	(34,665)	2,765,976
Other liabilities	278,428	(150,353)		<del>_</del>	1,544	<del>_</del>	129,619
	\$ 27,942,494	\$ 4,669,089	\$ 23,268	\$ 177,523	\$ (70,854)	<u>\$ (34,665)</u>	\$ 32,706,855

### For the year ended December 31, 2022

			Non-cash Changes				
	Opening Balance	Cash Flows	New Leases	Amortization of Finance Costs	Exchange rate Changes	Others	Closing Balance
Short-term borrowings Long-term borrowings (including current	\$ 2,799,213	\$ 3,268,179	\$ -	\$ 22,911	\$ 1,346,773	\$ -	\$ 7,437,076
portion)	13,861,483	1,620,274	-	-	1,347,793	51,287	16,880,837
Guarantee deposits received	33,635	4,053	-	-	6,497	-	44,185
Lease liabilities	3,970,518	(614,173)	349,290	148,954	119,783	(672,404)	3,301,968
Other liabilities	309,562	(59,601)	=		28,467	<del>_</del>	278,428
	\$ 20,974,411	\$ 4,218,732	\$ 349,290	<u>\$ 171,865</u>	\$ 2,849,313	<u>\$ (621,117)</u>	\$ 27,942,494

#### 30. CAPITAL MANAGEMENT

The capital structure of the Group consists of its net debt and equity. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of its debt and equity balance. Key management personnel of the Group review the capital structure periodically. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

## 31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values, or that their fair values cannot be measured reliably.

- b. Fair value of financial instruments measured at fair value on a recurring basis
  - 1) Fair value hierarchy

## December 31, 2023

	Level 1	Level 2	Level 3	Total	
Financial assets at FVTPL Derivative financial assets Foreign private fund Domestic innovation board listed shares Foreign listed shares	\$ 112,9 365,4 96,7	- 00	- 541,482 	\$ 366,624 541,482 365,400 259,166	
	\$ 575,0	<u>\$ 416,11</u>	<u>\$ 541,482</u>	\$ 1,532,672	
Financial assets at FVTOCI Investments in equity instruments Foreign listed ordinary shares Foreign unlisted shares Trade receivables, net Other receivables, net	\$ 55,8	16 \$ - - 757,83 - 721,88		\$ 55,816 40,540 757,834 721,885	
	\$ 55,8	<u>\$ 1,479,71</u>	<u>\$ 40,540</u>	<u>\$ 1,576,075</u>	
Financial liabilities at FVTPL Derivative financial liabilities	\$ 9,8	86 \$ 513.08	27 ¢	\$ 522,973	
naomitics	$\Psi$ 7,0	<u>ψ 515,00</u>	<u>υ -</u>	<u>Ψ 322,313</u>	

## December 31, 2022

	Level 1	Level 2	Level 3	Total	
Financial assets at FVTPL Derivative financial assets	\$ -	\$ 489,589	\$ -	\$ 489,589	
Domestic emerging shares Foreign private fund Foreign unlisted shares	166,770	- - -	516,139 215,863	166,770 516,139 215,863	
	<u>\$ 166,770</u>	<u>\$ 489,589</u>	<u>\$ 732,002</u>	<u>\$ 1,388,361</u>	
Financial assets at FVTOCI Investments in equity instruments Foreign listed ordinary					
shares	\$ 266,969	\$ -	\$ -	\$ 266,969	
Trade receivables, net	-	1,295,421	-	1,295,421	
Other receivables, net	<del>-</del>	4,590,718	<del>_</del>	4,590,718	
	\$ 266,969	\$ 5,886,139	<u>\$</u>	\$ 6,153,108	
Financial liabilities at FVTPL Derivative financial					
liabilities	¢	\$ 614.440	¢	¢ 614.440	
naomues	<u>Ф -</u>	<u>\$ 614,449</u>	<u> </u>	<u>\$ 614,449</u>	

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

# 2) Reconciliation of Level 3 fair value measurements of financial instruments

# For the year ended December 31, 2023

	Financial Ass	ets at FVTPL	Financial Assets at FVTOCI		
Financial Assets	Derivative Financial Assets	Other Financial Assets	Investments in equity Instruments	Total	
Balance, beginning of year Recognized in profit or loss Recognized in comprehensive	\$ - (10,164)	\$ 732,002 (92,872)	\$ -	\$ 732,002 (103,036)	
income or loss Reclassification Purchases	(3,635) 12,688	(780,743) 672,236	(83,369) - 121,920	(83,369) (784,378) 806,844	
Effects of foreign currency exchange differences	1,111	10,859	1,989	13,959	
Balance, end of year	<u>\$ -</u>	<u>\$ 541,482</u>	<u>\$ 40,540</u>	\$ 582,022	

	Financial Assets at FVTPL						
	De	rivative	Other				
<b></b>	Financial		Financial	Hybrid			<b>7</b> 5. 4. 1
Financial Assets	F	Assets	Assets	Ins	struments		Total
Balance, beginning of year	\$	2,018	\$ 518,979	\$	66,542	\$	587,539
Recognized in profit or loss		2,673	(59,911)		(10,977)		(68,215)
Reclassification		-	215,863		(215,863)		-
Purchases		-	16,722		145,225		161,947
Disposals		(4,691)	(17,011)		-		(21,702)
Effects of foreign currency exchange differences		<u>-</u>	57,360		15,073	_	72,433
Balance, end of year	\$	_	\$ 732,002	\$	_	\$	732,002

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

The fair values of the Group's financial assets and liabilities were determined using methods and assumptions as follows:

- a) The fair values of foreign exchange forward contracts and exchange rate swap contracts were measured by quoted forward exchange rates and a yield curve derived from the quoted interest rates over the maturity period of the contracts.
- b) The fair value of foreign currency option contracts is derived from the spot exchange rate at the valuation date, the exercise price of the option, the volatility of the exchange rate, the maturity period of the contract, and the quoted risk-free interest rate from the maturity period of the contract.
- c) The fair values of trade receivables and other receivables at FVTOCI were discounted at a rate that reflected the credit risk of various counterparties and estimated future cash flows.
- d) The fair value of foreign listed shares held by the Group was evaluated by reference to their recent trading prices, taking into account the liquidity discount.
- 4) Valuation techniques and inputs applied for Level 3 fair value measurement

The foreign private fund held by the Group were determined using the asset-based approach and were based on the net asset value measured at fair value and the investment agreement.

The fair values of unlisted foreign shares held by the Group were evaluated by reference to recent trading prices or valuation parameters of comparable companies in active markets.

#### c. Categories of financial instruments

	December 31		
	2023	2022	
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,532,672	\$ 1,388,361	
Financial assets at amortized cost (1)	56,378,977	42,488,630	
Financial assets at FVTOCI			
Equity instruments	96,356	266,969	
Debt instruments	1,479,719	5,886,139	
Refundable deposits	116,240	115,813	
Financial liabilities			
Financial liabilities at FVTPL			
Held for trading	522,973	614,449	
Financial liabilities at amortized cost (2)	41,144,728	35,296,695	
Guarantee deposits received	33,021	44,185	

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financing products, notes and trade receivables, other receivables (excluding trade receivables and other receivables at FVTOCI).
- 2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, notes and accounts payable, payables for purchase of equipment, other payables others, current portion of long-term borrowings, and long-term borrowings.

#### d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, notes and trade receivables, notes and accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives are governed by the Group's policies approved by the Company's board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use financial derivatives and non-derivative financial instrument, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Significant financial activities of the Group should be reviewed by the Company's board of directors to ensure compliance with the related regulations and internal control rules. During the execution of financial plans, the Group shall comply with the financial operating procedures and overall financial risk management policies.

#### 1) Market risk

**USD RMB** NTD JPY **HKD SGD EUR** 

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price.

## a) Foreign currency risk

Several subsidiaries of the Company have foreign currency-denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contract.

The material carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities are set out in Note 35. The carrying amounts of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 7.

## b) Analysis of sensitivity for foreign currency risk

The Group was mainly exposed to USD, and RMB, etc.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rate is 5%. The sensitivity analysis included outstanding foreign currency-denominated monetary items and derivatives, and adjusted their translation at the end of the year for a 5% change in foreign currency rates.

Strengthened 5%								
For the Year End	For the Year Ended December 31							
2023	2022							
\$ 288,576	\$ 341,137							
(288,116)	(201,898)							
(4,097)	(3,095)							

Impact on Profit or Loss If USD

2023	2022
\$ 288,576	\$ 341,137
(288,116)	(201,898)
(4,097)	(3,095)
(21)	(53)
(1,844)	(11)
(169)	(42)
233	132

Impact on Profit or Loss If USD
Weakened 5%

	For the Year End	led December 31	
	2023	2022	
USD	\$ (288,576)	\$ (341,137)	
RMB	(181,237)	31,124	
NTD	15,558	5,147	
JPY	23	58	
HKD	2,038	12	
SGD	186	202	
EUR	(258)	(146)	

#### c) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	Dece	ember 31
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 39,406,478	\$ 27,973,791
Financial liabilities	17,395,564	11,139,332
Cash flow interest rate risk		
Financial assets	6,911,210	6,218,596
Financial liabilities	15,148,651	16,480,549

### d) Analysis of sensitivity to interest rate risk

The sensitivity analysis was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's the pre-tax profit for the years ended December 31, 2023 and 2022 would decrease by \$41,187 thousand and \$51,310 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and its variable-rate bank borrowings.

## e) Other price risk

The Group was exposed to price risk through its investments in financial instruments at fair value through profit or loss, equity instruments at FVOCI and funds. For the years ended December 31, 2023 and 2022, if prices of equity instruments, funds and convertible bonds had been 5% higher/lower, pre-tax profit for the year would have increased/decreased by \$58,302 thousand and \$44,939 thousand, respectively, and pre-tax other comprehensive income would have increased/decreased by \$4,818 thousand and \$13,348 thousand, respectively.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of using internal and external credit ratings, only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty-limits that are reviewed and approved by the risk management committee semi-annually.

The Group authorized and approved hierarchical credit lines and monitored trade receivables periodically based on the related trade receivables aging, thus reducing bad debts or overdue trade. Then, at the end of the year, the Group would assess line by line its collectable amounts, allowance for impairment loss, and amounts of impairment recognized on trade receivables. Therefore, the management believed that the credit management of the Group fully covered the credit risk.

The Group's concentration of credit risk of 69.64% and 69.32% in total trade receivables as of December 31, 2023 and 2022, respectively, was related to the Group's the five largest customers.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities of \$39,340,492 thousand and \$47,973,743 thousand, respectively.

### a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details of the Group's remaining contractual maturities for its short-term and long-term borrowings and lease liabilities. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

### December 31, 2023

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities					
No interest-bearing liabilities	\$ 7,306,640	\$ 3,775,991	\$ 283,859	\$ -	\$ -
Variable interest rate borrowings	867,603	12,088	1,717,241	12,520,590	31,129
Fixed interest rate borrowings	2,916,976	2,794,942	5,858,228	3,059,442	-
Lease liabilities	68,774	18,919	201,151	535,182	1,941,950
	<u>\$ 11,159,993</u>	\$ 6,601,940	\$ 8,060,479	\$ 16,115,214	\$ 1,973,079

## Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ 288,844	\$ 535,182	\$ 793,947	\$ 1,048,484	\$ 99,519	\$ -

#### December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	5+ Years
Non-derivative financial liabilities					
No interest-bearing liabilities Variable interest rate borrowings Fixed interest rate borrowings Lease liabilities	\$ 6,666,972 154,338 2,901,572 75,775	\$ 3,617,003 2,778 1,185,312 58,832	\$ 705,831 4,865,877 3,238,978 344,804	\$ - 11,457,556 511,502 713,242	\$ - 2,109,315
	<u>\$ 9,798,657</u>	<u>\$ 4,863,925</u>	\$ 9,155,490	\$ 12,682,300	\$ 2,109,315

#### Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ 479,411	\$ 713,242	\$ 759,647	\$ 1,013,113	\$ 336,555	\$ -

The following table details the Group's expected maturity for some of its non-derivative financial assets. The table below was drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

#### December 31, 2023

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years
Non-derivative financial assets				
Variable interest rate assets Fixed interest rate assets	\$ 6,911,210 <u>30,828,787</u>	\$ - 3,330,142	\$ - 3,177,015	\$ - 2,070,534
	\$ 37,739,997	\$ 3,330,142	\$ 3,177,015	\$ 2,070,534
<u>December 31, 2022</u>				
	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years
Non-derivative financial assets				
Variable interest rate assets Fixed interest rate assets	\$ 6,218,596 	\$ - <u>5,404,891</u>	\$ - <u>4,714,986</u>	\$ - 1,370,431
	\$ 22,702,079	\$ 5,404,891	\$ 4,714,986	<u>\$ 1,370,431</u>

#### b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

#### December 31, 2023

Gross settled	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts Inflow Outflow Exchange rate swap	\$ 554,352 (552,690) 1,662	\$ - - -	\$ - - -	\$ - - -	\$ - - -
contracts Inflow Outflow	199,583 (204,848) (5,265) \$ (3,603)	<u>-</u> - \$ -	8,253,117 (8,210,998) 42,119 \$ 42,119	- - - \$ -	- - - \$
Net settled					
Foreign exchange forward contracts Foreign exchange option contracts	\$ - -	\$ 85 	\$ (190,836) <u>225,301</u>	\$ - 	\$ - -
<u>December 31, 2022</u>	\$	<u>\$ 85</u>	<u>\$ 34,465</u>	<u>\$</u> _	<u>\$</u>
Net settled	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Foreign exchange forward contracts	<u>\$ 810</u>	\$ 93,251	<u>\$ 25,024</u>	<u>\$</u>	<u>\$</u>

#### c) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facility, reviewed annually and payable on demand		
Amount used Amount unused	\$ 33,871,454 40,570,416	\$ 25,553,160 51,321,712
	<u>\$ 74,441,870</u>	<u>\$ 76,874,872</u>
Secured bank overdraft facility, reviewed annually and payable on demand		
Amount used Amount unused	\$ 1,893,404 21,782	\$ 2,635,986 286,647
	\$ 1,915,186	\$ 2,922,633

#### e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the year were as follows:

#### December 31, 2023

Subsidiary	Counterparties	Currencies	Receivables Factoring Proceeds	Amounts Reclassified to Other Receivables	Advances Received Unused	Advances Received Used	Annual Interest Rates on Advances Received (Used) (%)
ТРК НК	A Bank	US\$	<u>\$ 83,925</u>	\$ 23,510	\$ 23,510	<u>\$ 60,415</u>	TERM SOFR+53bps
		NT\$	\$ 2,576,912	<u>\$ 721,885</u>	<u>\$ 721,885</u>	<u>\$ 1,855,027</u>	зот к тэзора
December	31, 2022						
61.1	G		Receivables Factoring	Amounts Reclassified to Other	Advances	Advances	Annual Interest Rates on Advances Received (Used)
Subsidiary	Counterparties	Currencies	Proceeds	Receivables	Received Unused	Received Used	(%)
ТРК НК	A Bank	US\$ NT\$	\$ 149,486 \$ 4,590,718	\$ 149,486 \$ 4,590,718	\$ 149,486 \$ 4,590,718	<u>\$</u>	Libor + 0.48%

Pursuant to the factoring agreements, losses from sales returns and allowances were borne by the Group, while losses from credit risk shall be borne by the Bank.

#### 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

#### a. Related party names and categories

Related Party Name	Related Party Category
Cando Corporation	Associate
UBCO Ltd.	Associate
TES Touch Embedded Solutions Inc. (Taiwan Branch) (TES TW)	Related party in substance
TES Touch Embedded Solutions (Xiamen) Co., Ltd.	Related party in substance
BTO Technology (Xiamen) LTD.	Related party in substance
Vision Optical Technologies (Xiamen) Inc. ("VOT")	Related party in substance
Pan Shi (Xiamen) Real Estate Development LTD.	Related party in substance
Taiwan Video & Monitor Corp.	Related party in substance
Cambrios Film Solutions Corporation (Taiwan Branch)	Related party in substance
Cambrios Film Solutions Corporation	Related party in substance
Liangyi industry and trade (Xiamen) Co., Ltd.	Related party in substance
Cambrios Film Solutions (Xiamen) Corporation	Related party in substance
Wan Li Kai Limited	Related party in substance

#### b. Sales and other income

	For the Year End	led December 31
Related Party Category/Name	2023	2022
1) Operating revenue, net		
Associate Related party in substance	\$ 35,067 661,541	\$ - 992,330
	<u>\$ 696,608</u>	<u>\$ 992,330</u>
2) Rental income (presented in other income)		
Related party in substance	<u>\$ 1,955</u>	<u>\$ 4,437</u>
3) Other income		
Related party in substance	<u>\$ 7,865</u>	<u>\$ 7,897</u>

Subsidiaries leased plants and offices to related parties under mutual lease agreements with monthly rental payments.

### c. Purchases of goods, costs and expenses

		For the Year End	led December 31
Re	elated Party Category/Name	2023	2022
1)	Purchases of goods		
	Related party in substance	<u>\$ 174,121</u>	<u>\$ 299,263</u>
2)	Research expenses		
	Related party in substance	<u>\$ 122</u>	<u>\$ 8,454</u>
3)	Professional service fees		
	Related party in substance	\$ 20,542	<u>\$ 33,675</u>
4)	Repairs and other expenses		
	Related party in substance	<u>\$ 1,780</u>	<u>\$ 680</u>
d. Re	eceivables from (payables to) related parties		
		Decem	ber 31
Re	elated Party Category/Name	<b>Decem 2023</b>	2022
<b>R</b> o	Plated Party Category/Name  Trade receivables - related parties (presented in notes and trade receivables)		
	Trade receivables - related parties (presented in notes and		
	Trade receivables - related parties (presented in notes and trade receivables)	2023	2022
1)	Trade receivables - related parties (presented in notes and trade receivables)  Related party in substance  Notes payable - related parties (presented in notes and trade	2023	2022
1)	Trade receivables - related parties (presented in notes and trade receivables)  Related party in substance  Notes payable - related parties (presented in notes and trade payables)	<b>2023</b> \$ 87,089	\$ 78,560
2)	Trade receivables - related parties (presented in notes and trade receivables)  Related party in substance  Notes payable - related parties (presented in notes and trade payables)  Related party in substance  Trade payables - related parties (presented in notes and trade payables)  Associates	\$ 87,089 \$ - \$ 3,987	\$ 78,560 \$ 11,025 \$ 3,988
2)	Trade receivables - related parties (presented in notes and trade receivables)  Related party in substance  Notes payable - related parties (presented in notes and trade payables)  Related party in substance  Trade payables - related parties (presented in notes and trade payables)	\$ 87,089 \$ -	\$ 78,560 \$ 11,025

The outstanding payables to related parties are unsecured and will be settled in cash. No guarantees were received for receivables from related parties.

		Decem	iber 31
R	elated Party Category/Name	2023	2022
4)	Other receivables - related parties (presented in other receivables)		
	Related party in substance	<u>\$ 1,208</u>	<u>\$ 1,291</u>
5)	Other payables - related parties (presented in other payables - others)		
	Related party in substance	<u>\$ 16,842</u>	<u>\$ 18,041</u>
. Ot	hers		
		Decem	iber 31
R	elated Party Category/Name	2023	2022
1)	Refundable deposits		
	Related party in substance VOT	\$ 15,174 7,500	\$ 15,435 
	Others		
	Others	\$ 22,674	\$ 22,958
2)			
2)	Advance receipts (presented in other current liabilities -		

interest income on the deposits were \$5 thousand and \$3 thousand, respectively.

## f. Acquisition of property, plant and equipment

	For the Year End	ed December 31
Related Party Category/Name	2023	2022
Related party in substance	<u>\$</u>	<u>\$ 118</u>

#### g. Lease arrangements - the Group is lessee

	Related Party	Decemb	er 31,
Line Item	Category/Name	2023	2022
1) Lease liabilities - current	Related party in substance VOT Others	\$ 49,383 54,629	\$ 48,823 53,576
		<u>\$ 104,012</u>	<u>\$ 102,399</u>
2) Lease liabilities - non-current	Related party in substance	<u>\$</u>	<u>\$ 104,024</u>
	Related Party	For the Year End	ed December 31
Line Item	Category/Name	2023	2022
3) Interest expense	Related party in substance	<u>\$ 2,504</u>	<u>\$ 4,001</u>

Subsidiaries leased buildings from related parties for the use of plant and office spaces under mutual lease agreements with monthly rental payments.

#### h. Remuneration of key management personnel

For the years ended December 31, 2023 and 2022, the total amounts of the remuneration of directors and other key management personnel were as follows:

	For the Year Ended December 31						
	2023	2022					
Short-term employee benefits Post-employment benefits	\$ 69,514 <u>972</u>	\$ 77,546 <u>972</u>					
	<u>\$ 70,486</u>	<u>\$ 78,518</u>					

The remuneration of directors and other key management personnel were determined by the remuneration committee based on the performance of individuals and market trends.

#### 33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for guarantees to banks, customs guarantees, guarantees for suppliers for a bill of the bank acceptance, and guarantees for road and bridge tolls:

	December 31			
	2023	2022		
Bank deposits (presented in financial assets at amortized cost) Other equipment - net	\$ 2,035,886 386,994	\$ 1,402,142 42,542		
	\$ 2,422,880	\$ 1,444,684		

#### 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2023 and 2022 were as follows:

- a. As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials, electricity billing certificate, machinery and equipment amounted to \$1,847,571 thousand and \$371,575 thousand, respectively.
- b. Unrecognized commitments are as follows:

	Decem	ber 31
	2023	2022
Acquisition of property, plant and equipment	<u>\$ 629,578</u>	<u>\$ 418,146</u>

#### 35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currency and the related the exchange rates between the foreign currencies and the respective functional currency were as follows:

(All Currencies in Thousands)

	<b>December 31, 2023</b>						
	Foreign						
	Currency	<b>Exchange Rate</b>	U.S. Dollars				
Financial assets							
Monetary items							
USD	\$ 260,030	1.0000	\$ 260,030				
RMB	5,789,111	7.0827	817,423				
NTD	145,457	30.705	4,737				
JPY	19,191	141.3674	136				
HKD	9,884	7.8150	1,265				
SGD	159	1.3184	120				
EUR	94	0.9036	104				
Non-monetary items							
Derivative instruments							
RMB buy	3,226,907	7.0827	6,687				
RMB sell	329,954	7.0827	118				
Foreign exchange option	1,714,500	7.0827	1,453				
Financial liabilities							
Monetary items							
USD	72,063	1.0000	72,063				
RMB	5,614,852	7.0827	792,817				
NTD	558	30.705	18				
JPY	17,151	141.3674	121				
HKD	29	7.8150	4				
SGD	7	1.3184	5				
EUR	238	0.9036	264				
			(Continued)				

	<b>December 31, 2023</b>							
	Foreign Currency	Exchange Rate	U.S. Dollars					
Non-monetary items								
Derivative instruments								
RMB buy	\$ 2,050,317	7.0827	\$ 5,332					
RMB sell	604,082	7.0827	165					
NTD sell	1,170,731	30.7050	849					
Foreign exchange option	2,483,750	7.0827	10,359					
			(Concluded)					
		<b>December 31, 2022</b>						
	Foreign							
	Currency	<b>Exchange Rate</b>	U.S. Dollars					
Financial assets								
Monetary items								
USD	\$ 278,233	1.0000	\$ 278,233					
RMB	3,763,908	6.9646	540,497					
NTD	20,414	30.7100	665					
JPY	45,646	132.1429	345					
SGD	174	1.3422	130					
HKD	58	7.7984	7					
EUR	80	0.9386	86					
Non-monetary items								
Derivative instruments	1 120 420	6.0646	2.254					
RMB buy RMB sell	1,129,429	6.9646 6.9646	3,354					
NTD sell	2,802,850 60,610	30.7100	12,562 27					
	00,010	30.7100	21					
Financial liabilities								
Monetary items								
USD	56,066	1.0000	56,066					
RMB	4,111,966	6.9646	590,478					
NTD	451	30.7100	15					
JPY	40,865	132.1429	309					
SGD	6	1.3422	4					
EUR	165	0.9386	175					
Non-monetary items Derivative instruments								
RMB buy	3,485,250	6.9646	18,752					
RMB sell	1,018,900	6.9646	1,256					
KIND SOII	1,010,700	0.7040	1,230					

For the year ended December 31, 2023 and 2022, the realized and unrealized net foreign exchange gains were \$174,320 thousand and \$509,297 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

#### 36. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions:
  - 1) Financing provided to others. (Table 1)
  - 2) Endorsements/guarantees provided. (Table 2)
  - 3) Marketable securities held (excluding investment in subsidiaries and associates). (Table 3)
  - 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
  - 9) Trading in derivative instruments. (Notes 7 and 31)
  - 10) Intercompany relationships and significant intercompany transactions. (Table 9)
- b. Information on investees. (Table 7)
- c. Information on investments in mainland China:
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investee, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1, 2, 5 and 6)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
    - c) The amount of property transactions and the amount of the resultant gains or losses.
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or more showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 10)

#### 37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable is the touch modules segment. The related information was as follows:

a. Information of reportable segment's gains or losses and assets

	For the Year Ended December 31										
		2023									
	<b>Touch Modules</b>	Others	Total	<b>Touch Modules</b>	Others	Total					
Revenue from external customers	\$ 68,262,028	\$ 1,599,203	\$ 69,861,231	\$ 96,239,370	\$ 941,599	\$ 97,180,969					
Inter-segment revenue	31,854	80,156	112,010	20,932	5,635	26,567					
Interest income	1,907,756	57,961	1,965,717	815,152	2,171	817,323					
Finance costs	1,509,573	4,768	1,514,341	863,822	7,194	871,016					
Depreciation and amortization	3,479,856	407,496	3,887,352	3,793,641	317,721	4,111,362					
Impairment loss on assets	164,412	-	164,412	571	-	571					
Reportable segment profit before											
tax	472,222	120,619	592,841	1,147,176	112,687	1,259,863					
Reportable segment income tax											
(expense) income	(367,605)	850	(366,755)	(652,272)	(25,895)	(678,167)					
Reportable segment net profit	104,617	121,469	226,086	494,904	86,792	581,696					
Reportable segment capital expenditure on acquisition of property, plant and equipment											
and intangible assets	1,043,848	45,716	1,089,564	1,242,582	41,280	1,283,862					

- b. Reportable segment's gains or losses and other significant items reconciliation
  - 1) Segment revenues and results

Profit and Loss  Reportable segment profit before tax Reportable segment income tax expense Reportable segment net profit Non-reportable segment's profit Net profit on non-controlling interests	For the Year Ended December 31							
Profit and Loss	2023	2022						
1 0 1	\$ 472,222	\$ 1,147,176						
	<u>(367,605</u> )	<u>(652,272)</u>						
1 0 1	104,617	494,904						
	121,469	86,792						
Net profit on non-controlling interests	(17,696)	(37,958)						
Net profit attributable to owners of the Company	<u>\$ 208,390</u>	<u>\$ 543,738</u>						

#### 2) Other significant items reconciliation

For the Year Ended December 31, 2023

Other Significant Items	Total Amount of Reportable Segment	Total Amount of Non- reportable Segment	Reconciliation	Total		
Interest income Finance costs Capital expenditure on	\$ 1,907,756 1,509,573	\$ 57,961 4,768	\$ (29,728) (30,971)	\$ 1,935,989 1,483,370		
acquisition of property, plant and equipment and intangible assets	1,043,848	45,716	(23,498)	1,066,066		
Depreciation and amortization Impairment loss on assets	3,479,856 164,412	407,496	- -	3,887,352 164,412		

For the Year Ended December 31, 2022

Other Significant Items	Total Amount of Reportable		o	l Amount f Non- portable egment	Rec	onciliation	Total		
Interest income Finance costs	\$	815,152 863,822	\$	2,171 7,194	\$	(1,979) (10,818)	\$	815,344 860,198	
Capital expenditure on acquisition of property, plant and equipment and									
intangible assets		1,242,582		41,280		(216,647)		1,067,215	
Depreciation and amortization		3,793,641		317,721		-		4,111,362	
Impairment loss on assets		571		-		-		571	

#### 3) Revenue from major products and services

The Company and its subsidiaries categorized reportable segment based on the type of products. There were no specific additional disclosures for products and revenue.

#### 4) Geographical information

The Group operate in three principal geographical areas - Taiwan, China and the United States ("USA").

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

		ue from Customers	Non-current Assets December 31				
	For the Year En	ded December 31					
	2023	2022	2023	2022			
Asia	\$ 32,369,500	\$ 41,088,287	\$ 19,005,748	\$ 21,866,705			
North America	31,741,644	47,682,899	62,183	136,189			
Europe	5,667,011	8,390,075	-	-			
Others	83,076	19,708					
	\$ 69,861,231	<u>\$ 97,180,969</u>	<u>\$ 19,067,931</u>	<u>\$ 22,002,894</u>			

Non-current assets above excludes financial assets, investments accounted for using the equity method, deferred tax assets and net defined benefit assets.

#### 5) Information about major customers

Customers who contributed 10% or more to the Group's revenue are as follows:

	For the Year Ended December 31			
	2023	2022		
Customer A	\$ 24,245,933	\$ 39,556,075		
Customer B	7,535,310	8,612,375		
Customer C	7,379,230	7,928,791		
Customer D	6,409,237	10,567,464		
	<u>\$ 45,569,710</u>	<u>\$ 66,664,705</u>		

FINANCING PROVIDED TO OTHERS FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands)

			F:		TT: 1 (D)		Actual		N. 4 C	n :	D 6		Coll	lateral	<b>Financing Limit</b>		
No. (Note 1)	Lender	Borrower	Financial Statements Account	Related Parties	Highest Balance for the Period (Notes 5 and 6)	Ending Balance (Notes 5 and 6)	Borrowing Amount (Note 5)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Item	Value	for Each Borrower (Notes 3 and 5)	Aggregate Financing Limit (Notes 3 and 5)	Note
1	ТРКС	TPKG	Loan to related parties	Y	NT\$ 13,510,200 (approximately		NT\$ 2,764,494 (approximately	0.0000%	b	\$ -	Operating capital	\$ -	None	\$ -	NT\$ 66,295,162 (approximately	NT\$ 82,868,953 (approximately	
		МТОН	Loan to related parties	Y	US\$ 440,000) NT\$ 552,690 (approximately	US\$ 220,000) NT\$ 245,640 (approximately	US\$ 90,034) NT\$ 197,314 (approximately	0.0000%	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately	US\$ 2,698,875) NT\$ 82,868,953 (approximately	
		ТРКР	Loan to related parties	Y	US\$ 18,000) NT\$ 17,808,900 (approximately	US\$ 8,000) NT\$ 8,904,450 (approximately	US\$ 6,426) NT\$ 7,834,485 (approximately	0.0000%	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately	US\$ 2,698,875) NT\$ 82,868,953 (approximately	
		TPKD	Loan to related parties	Y	US\$ 580,000) NT\$ 10,439,700 (approximately	US\$ 290,000) NT\$ 5,219,850 (approximately	US\$ 255,153) NT\$ 2,394,990 (approximately	0.0000%	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately	US\$ 2,698,875) NT\$ 82,868,953 (approximately	
		TPKS	Loan to related parties	Y	US\$ 340,000) NT\$ 1,535,250 (approximately	US\$ 170,000) NT\$ 1,535,250 (approximately	US\$ 78,000) -	-	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately	US\$ 2,698,875) NT\$ 82,868,953 (approximately	
		TPKQ	Loan to related parties	Y	US\$ 50,000) NT\$ 276,345 (approximately	US\$ 50,000) NT\$ 122,820 (approximately	NT\$ 47,691 (approximately	0.0000%	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately	US\$ 2,698,875) NT\$ 82,868,953 (approximately	
		ТРК НК	Loan to related parties	Y	US\$ 9,000) NT\$ 10,746,750 (approximately US\$ 350,000)	US\$ 4,000) NT\$ 6,141,000 (approximately US\$ 200,000)	US\$ 1,553) NT\$ 921,150 (approximately US\$ 30,000)	0.0000%	b	-	Operating capital	-	None	-	US\$ 2,159,100) NT\$ 66,295,162 (approximately US\$ 2,159,100)	US\$ 2,698,875) NT\$ 82,868,953 (approximately US\$ 2,698,875)	
		TPKF	Loan to related parties	Y	NT\$ 2,456,400 (approximately US\$ 80,000)	NT\$ 921,150 (approximately US\$ 30,000)	NT\$ 205,938 (approximately US\$ 6,707)	0.0000%	b	-	Operating capital	-	None	-	NT\$ 66,295,162 (approximately US\$ 2,159,100)	NT\$ 82,868,953 (approximately US\$ 2,698,875)	
		TPKGA	Loan to related parties	Y	NT\$ 614,100 (approximately US\$ 20,000)	NT\$ 307,050 (approximately US\$ 10,000)	-	-	b	-	Operating capital	-	None	-	NT\$ 66,295,162 (approximately US\$ 2,159,100)	NT\$ 82,868,953 (approximately US\$ 2,698,875)	
		TPKCA	Loan to related parties	Y	NT\$ 767,625 (approximately US\$ 25,000)	NT\$ 767,625 (approximately US\$ 25,000)	NT\$ 551,048 (approximately US\$ 17,947)	0.0000%	b	-	Operating capital	-	None	-	NT\$ 66,295,162 (approximately US\$ 2,159,100)	NT\$ 82,868,953 (approximately US\$ 2,698,875)	
2	RUSL	ТРКН	Loan to related parties	Y	NT\$ 967,208 (approximately US\$ 31,500)	NT\$ 967,208 (approximately US\$ 31,500)	NT\$ 951,855 (approximately US\$ 31,000)	5.0000%	b	-	Operating capital	-	None	-	NT\$ 2,035,522 (approximately US\$ 66,293)	NT\$ 2,544,403 (approximately US\$ 82,866)	
3	ТРК НК	ТРКН	Loan to related parties	Y	NT\$ 18,423,000 (approximately US\$ 600,000)	NT\$ 10,746,750 (approximately US\$ 350,000)	NT\$ 5,557,605 (approximately US\$ 181,000)	4.2500%-5.0000%	b	-	Operating capital	-	None	-	NT\$ 23,303,744 (approximately US\$ 758,956)	NT\$ 29,129,680 (approximately US\$ 948,695)	
		TPKC	Loan to related parties	Y	NT\$ 6,141,000	NT\$ 3,070,500 (approximately	-	-	b	-	Operating capital	-	None	-	NT\$ 23,303,744 (approximately		
		TPKG	Loan to related parties	Y	NT\$ 3,684,600	NT\$ 1,535,250 (approximately	-	-	b	-	Operating capital	-	None	-	NT\$ 23,303,744 (approximately		
		TPKT	Loan to related parties	Y	NT\$ 921,150 (approximately US\$ 30,000)	-	-	-	b	-	Operating capital	-	None	-	NT\$ 4,660,749 (approximately		

	·		Financial		Highest Balance		Actual		Nature of	Business	Reason for		Col	lateral	Financing Limit	Aggregate	
No. Note 1)	Lender	Borrower	Statements Account	Related Parties	for the Period (Notes 5 and 6)	Ending Balance (Notes 5 and 6)	Borrowing Amount (Note 5)	Interest Rate	Financing (Note 2)	Transaction Amount	Short-term Financing	Allowance for Impairment Loss	Item	Value	for Each Borrower (Notes 3 and 5)	Financing Limit (Notes 3 and 5)	Note
3	ТРК НК	TPKE	Loan to related parties	Y	NT\$ 614,100 (approximately US\$ 20,000)	NT\$ 614,100 (approximately US\$ 20,000)	\$ -	-	b	\$ -	Operating capital	\$ -	None	\$ -	NT\$ 4,660,749 (approximately US\$ 151,791)	NT\$ 5,825,936 (approximately US\$ 189,739)	
		AUTO HK	Loan to related parties	Y	NT\$ 276,345 (approximately US\$ 9,000)	NT\$ 276,345	NT\$ 276,345 (approximately US\$ 9,000)	5.0000%	b	-	Operating capital	-	None	-		NT\$ 5,825,936 (approximately US\$ 189,739)	
		Improve	Loan to related parties	Y	NT\$ 1,842,300 (approximately US\$ 60,000)	NT\$ 1,842,300	NT\$ 890,445 (approximately US\$ 29,000)	4.2500%-5.0000%	b	-	Operating capital	-	None	-		NT\$ 29,129,680 (approximately US\$ 948,695)	
		UYH	Loan to related parties - long-term	Y	NT\$ 921,150 (approximately US\$ 30,000)	NT\$ 921,150	NT\$ 921,150 (approximately US\$ 30,000)	2.0000%-5.0000%	b	-	Operating capital	-	None	-	NT\$ 23,303,744 (approximately	NT\$ 29,129,680 (approximately US\$ 948,695)	
		АМРН	Loan to related parties	Y	NT\$ 307,050 (approximately US\$ 10,000)	NT\$ 153,525 (approximately US\$ 5,000)	-	-	b	-	Operating capital	-	None	-	NT\$ 4,660,749 (approximately	NT\$ 5,825,936 (approximately US\$ 189,739)	
		AMP HK	Loan to related parties	Y	NT\$ 614,100 (approximately US\$ 20,000)	NT\$ 307,050 (approximately US\$ 10,000)	-	-	ь	-	Operating capital	-	None	-	NT\$ 4,660,749 (approximately	NT\$ 5,825,936 (approximately US\$ 189,739)	
4	ОТН	ТРК НК	Loan to related parties	Y	NT\$ 276,345 (approximately US\$ 9,000)	(approximately	NT\$ 214,935 (approximately US\$ 7,000)	5.0000%	b	-	Operating capital	-	None	-	(approximately	NT\$ 74,613,218 (approximately US\$ 2,430,002)	
5	TPKA	ТРК НК	Loan to related parties - long-term	Y	NT\$ 2,057,235 (approximately US\$ 67,000)	(approximately	NT\$ 2,057,235 (approximately US\$ 67,000)	0.8000%-5.0000%	b	-	Operating capital	-	None	-	(approximately	NT\$ 10,301,483 (approximately US\$ 335,499)	
6	TPKS	TPKC	Loan to related parties	Y	NT\$ 3,684,600 (approximately US\$ 120,000)	(approximately	NT\$ 710,612 (approximately US\$ 23,143)	0.0000%	b	-	Operating capital	-	None	-	(approximately	NT\$ 4,192,108 (approximately US\$ 136,528)	
7	TPKD	TPKC	Loan to related parties	Y	NT\$ 18,423,000 (approximately US\$ 600,000)	(approximately	NT\$ 1,216,121 (approximately US\$ 39,607)	0.0000%	b	-	Operating capital	-	None	-	(approximately	NT\$ 32,107,233 (approximately US\$ 1,045,668)	
8	TPKT	ТРК НК	Loan to related parties	Y	NT\$ 1,228,200 (approximately US\$ 40,000)	(approximately	NT\$ 614,100 (approximately US\$ 20,000)	3.0000%-5.0000%	b	-	Operating capital	-	None	-		NT\$ 943,079 (approximately US\$ 30,714)	
9	TPKMT	TPKC	Loan to related parties	Y	NT\$ 383,813 (approximately US\$ 12,500)	(approximately	(approximately	0.0000%	b	-	Operating capital	-	None	-	NT\$ 445,758 (approximately US\$ 14,517)	(approximately	
10	ТРКЈ	TPKC	Loan to related parties	Y	NT\$ 5,127,735 (approximately US\$ 167,000)	(approximately	NT\$ 559,242 (approximately US\$ 18,213)	0.0000%	b	-	Operating capital	-	None	-	NT\$ 1,268,358 (approximately US\$ 41,308)	(approximately	
11	TPKF	TPKC	Loan to related parties	Y	NT\$ 122,820 (approximately US\$ 4,000)	-	-	-	b	-	Operating capital	-	None	-	NT\$ 703,786 (approximately US\$ 22,921)	(approximately	
12	TPKCA	TPKC	Loan to related parties	Y	NT\$ 245,640 (approximately US\$ 8,000)	(approximately	-	-	b	-	Operating capital	-	None	-	NT\$ 2,576,796 (approximately US\$ 83,921)	(approximately	

- Note 1: The parent company is indicated by "0", while all other numbers indicate subsidiaries.
- Note 2: Types of financing were as follows:
  - a. Business and trade.
  - b. Short-term financing.
- Note 3: The limits of financing amounts were as follows:
  - a. Financing received from TPKH cannot exceed 50% of TPKH's net asset value, and the total short-term financing cannot exceed 40% of TPKH's net asset value.
  - b. Financing received from a financing company cannot exceed 50% of the financing company's net asset value, and the total short-term financing cannot exceed 40% of the financing company's net asset value.
  - c. The limits of individual financing provided are as follows:
    - 1) Intercompany business and trade financing cannot exceed the business and trade amount. The business and trade amount is the higher of the sales amount or purchases amount within one year.
    - 2) Short-term financing cannot exceed 40% of the financing company's net asset value.
  - d. The total financing amount where TPKH directly and indirectly holds 100% of the voting shares of subsidiaries cannot exceed 250% of the lending company's net asset value.
  - e. For loans provided to TPKH, the total financing amount where TPKH directly and indirectly holds 100% of the voting shares of subsidiaries cannot exceed 250% of the lending company's net asset value, and the amount of individual financing provided cannot exceed 200% of the lending company's net asset value.
- Note 4: The Company's board of directors approved the credit line of loans to another party for NT\$69,470,063 thousand (approximately US\$2,262,500 thousand). The loans to other parties disclosed on Table 1 did not exceed the credit lines approved by the Company's board of directors.
- Note 5: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.
- Note 6: Highest balance and ending balance for the year only indicate credit line of loans to others, not the used amount of loans.

(Concluded)

#### ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands)

No. (Note	Endorser/ Guarantor		Endorsee/Guarantee Relationship	Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 and 3)	Guaranteed	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 3 and 4)	A mount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Notes 2 and 3)	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	Note
1	TPKC	ТРК НК	Inter-company in which the Company indirectly held more than 90% of the voting shares	NT\$ 9,163,147 (approximately US\$ 298,425)	(approximately		(approximately		10.65%	NT\$ 18,326,294 (approximately US\$ 596,850)	N	N	N	
2	TPKJ	ТРКЈ НК		NT\$ 9,163,147 (approximately US\$ 298,425)	NT\$ 245,640 (approximately US\$ 8,000)	-	-	-	-	NT\$ 18,326,294 (approximately US\$ 596,850)	N	N	N	

Note 1: The parent company is indicated by "0", while all other numbers indicate subsidiaries.

Note 2: For TPKH, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 50% and 25% of TPKH's net asset value, respectively. The maximum collateral/guarantee amount allowable was calculated based on the net assets value as of December 31, 2023.

Note 3: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.

Note 4: The maximum amount and outstanding endorsement/guarantee at the end of the year only indicate limits on endorsement/guarantee amount to others, not the used amount.

## MARKETABLE SECURITIES HELD

**DECEMBER 31, 2023** 

(In Thousands, Unless Stated Otherwise)

					Decembe	r 31, 2023		
<b>Holding Company Name</b>	Name and Type of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Shares	Carrying Amount (Note 2)	Percentage of Ownership	Fair Value	Note
ТРКН	Ordinary shares Canoo Inc.	-	Financial assets at FVTOCI - current	7,067,666	NT\$ 55,816 (approximately US\$ 1,818)	0.74	NT\$ 55,816 (approximately US\$ 1,818)	
ТРКН	Ordinary shares HD Renewable Energy Co., Ltd.	-	Financial assets at FVTPL - current	1,000,000	NT\$ 130,500 (approximately US\$ 4,250)	1.00	NT\$ 130,500 (approximately US\$ 4,250)	
TPKT	Ordinary shares HD Renewable Energy Co., Ltd.	-	Financial assets at FVTPL - current	1,800,000	NT\$ 234,900 (approximately US\$ 7,650)	1.80	NT\$ 234,900 (approximately US\$ 7,650)	
ТРК НК	Fund SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	NT\$ 541,482 (approximately US\$ 17,635)	3.36	NT\$ 541,482 No (approximately US\$ 17,635)	ote 3
ТРК НК	Preference shares Sensor Holdings Limited	-	Financial assets at FVTOCI - non-current	217,231	NT\$ 40,540 (approximately US\$ 1,320)	9.99	NT\$ 40,540 (approximately US\$ 1,320)	
ТРК НК	Convertible bonds Light Polymers Holdings (HK) Limited	-	Financial assets at FVTPL - current	-	-	-	- No	ote 1
Improve	Ordinary shares Luminar Technologies, Inc.	-	Financial assets at FVTPL - current	2,587,984	NT\$ 259,166 (approximately US\$ 8,441)	0.62	NT\$ 259,166 No (approximately US\$ 8,441)	ote 4

Note 1: The Group evaluated the fair value of the convertible bonds as \$0 on December 31, 2023.

Note 2: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.

Note 3: The Group disclosed the percentage of ownership based on the percentage of the Group's investment amount.

Note 4: Under Rule 144 of the U.S. Securities and Exchange Act, the Group is required to hold the privately shares of Luminar Technologies, Inc. for six months before transferring them to the public market.

# MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands, Unless Stated Otherwise)

	Type and Name	Einensial States			Beginning	Balance	Acqui	sition		Dis	posal		Ending	Balance
Company Name	of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Number of Shares	Amount (Note 1)	Number of Shares	Amount (Note 2)	Number of Shares	Amount (Note 2)	Carrying Amount	Loss on Disposal (Note 2)	Shares	Amount (Notes 3 and 4)
ТРК НК	Shareholding TPKJ	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 1,360,094 (approximately US\$ 44,288)	-	\$ -	-	NT\$ 1,429,563 (approximately US\$ 46,558)	NT\$ 1,429,563 (approximately US\$ 46,558)	Note 5	-	\$ -
	TPKG	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 1,436,292 (approximately US\$ 46,770)	-	NT\$ 4,296,963 (approximately US\$ 136,558)	-	-	-	\$ -	-	NT\$ 5,339,371 (approximately US\$ 173,893)
TPKG	ТРКЈ	Investments accounted for using equity method	ТРК НК	Investments accounted for using equity method	-	-	-	NT\$ 1,429,563 (approximately US\$ 46,558)	-	-	-	-	-	NT\$ 332,682 (approximately US\$ 10,835)
ТРК НК	TPKF	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 94,294 (approximately US\$ 3,070)	-	-	-	NT\$ 151,757 (approximately US\$ 4,680)	NT\$ 151,757 (approximately US\$ 4,680)	Note 5	-	-
TPKC	TPKF	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 123,627 (approximately US\$ 4,026)	-	-	-	NT\$ 198,964 (approximately US\$ 6,136)	NT\$ 198,964 (approximately US\$ 6,136)	Note 5	-	-
TPKG	TPKF	Investments accounted for using equity method	ТРК НК, ТРКС	Investments accounted for using equity method	-	-	-	NT\$ 350,721 (approximately US\$ 10,816)	-	-	-	-	-	NT\$ 351,893 (approximately US\$ 11,460)
Improve	Ordinary shares Luminar Technologies, Inc.	Financial assets at FVTPL - current	-	-	-	-	3,939,784	NT\$ 689,868 (approximately US\$ 22,189)	1,351,800	NT\$ 76,298 (approximately US\$ 2,439)	NT\$ 155,036 (approximately US\$ 4,931)	NT\$ (78,738) (approximately US\$ -2,492)	2,587,984	NT\$ 259,166 (approximately US\$ 8,441)

Note 1: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 2: The exchange rate used for the translation of U.S. dollars to New Taiwan dollars was the monthly average rate of the transaction.

Note 3: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.

Note 4: The ending balance included cash dividends paid during the period, profit or loss on the fair value changes of financial assets and investment income or loss.

Note 5: The transaction is an organizational restructuring under joint control, using the net book value as the price transaction, and there is no gain or loss on disposal.

# 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)

Company Nama	Related Party	Relationship		Trai	saction Deta	ail	Abnormal	Transaction	Notes/Tr Receivable (P		Note
Company Name	Kelateu Farty	Keiauonsiiip	Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	Note
ТРКС	ТРКС	The same ultimate parent company	Purchase	NT\$ 3,105,793 (approximately US\$ 99,791)	5.62	60 days after monthly closing	No significant difference	No significant difference	NT\$ 2,177,461 (approximately US\$ 70,916)	21.54	
	ТРК НК	The same ultimate parent company	Purchase	NT\$ 9,198,059 (approximately US\$ 295,540)	16.64	45 days after monthly closing	No significant difference	No significant difference	NT\$ 2,429,488 (approximately US\$ 79,124)	24.03	
	TPKF	The same ultimate parent company	Purchase	NT\$ 283,024 (approximately US\$ 9,094)	0.51	60 days after monthly closing	No significant difference	No significant difference	NT\$ 68,060 (approximately US\$ 2,217)	0.67	
	ТРКР	The same ultimate parent company	Purchase	NT\$ 102,762 (approximately US\$ 3,302)	0.19	60 days after monthly closing	No significant difference	No significant difference	-	-	
	ТРКЈ НК	The same ultimate parent company	Purchase	NT\$ 167,450 (approximately US\$ 5,380)	0.30	60 days after monthly closing	No significant difference	No significant difference	NT\$ 29,903 (approximately US\$ 974)	0.30	
	TPKG	The same ultimate parent company	Sales	NT\$ 237,024 (approximately US\$ 7,616)	0.34	60 days after monthly closing	No significant difference	No significant difference	NT\$ 39,415 (approximately US\$ 1,284)	0.43	
	ТРК НК	The same ultimate parent company	Sales	NT\$ 31,559,697 (approximately US\$ 1,014,035)	45.17	60 days after monthly closing	No significant difference	No significant difference	NT\$ 7,156,562 (approximately US\$ 233,075)	78.45	
TPKS	TPKG	The same ultimate parent company	Purchase	NT\$ 723,742 (approximately US\$ 23,254)	1.31	60 days after monthly closing	No significant difference	No significant difference	NT\$ 277,529 (approximately US\$ 9,039)	2.75	
	ТРК НК	The same ultimate parent company	Purchase	NT\$ 1,952,568 (approximately US\$ 62,737)	3.53	60 days after monthly closing	No significant difference	No significant difference	NT\$ 306,852 (approximately US\$ 9,994)	3.04	
	ТРК НК	The same ultimate parent company	Sales	NT\$ 3,809,679 (approximately US\$ 122,408)	5.45	60 days after monthly closing	No significant difference	No significant difference	NT\$ 810,994 (approximately US\$ 26,412)	8.89	
TPKG	ТРКС	The same ultimate parent company	Purchase	NT\$ 237,024 (approximately US\$ 7,616)	0.43	60 days after monthly closing	No significant difference	No significant difference	NT\$ 39,415 (approximately US\$ 1,284)	0.39	

Company Name	D 1 ( 1D (	D. (1)		Trai	nsaction Deta	ail	Abnormal	Transaction	Notes/Tr Receivable (P		NT 4
Company Name	Related Party	Relationship	Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	Note
PKG	TPKF	The same ultimate parent company	Purchase	NT\$ 1,668,381 (approximately US\$ 53,606)	3.02	60 days after monthly closing	No significant difference	No significant difference	NT\$ 791,826 (approximately US\$ 25,788)	7.83	
	ТРКС	The same ultimate parent company	Sales	NT\$ 3,105,793 (approximately US\$ 99,791)	4.45	60 days after monthly closing	No significant difference	No significant difference	NT\$ 2,177,461 (approximately US\$ 70,916)	23.87	
	TPKS	The same ultimate parent company	Sales	NT\$ 723,742 (approximately US\$ 23,254)	1.04	60 days after monthly closing	No significant difference	No significant difference	NT\$ 277,529 (approximately US\$ 9,039)	3.04	
	ТРК НК	The same ultimate parent company	Sales	NT\$ 1,697,562 (approximately US\$ 54,544)	2.43	60 days after monthly closing	No significant difference	No significant difference	NT\$ 357,530 (approximately US\$ 11,644)	3.92	
ГРК НК	ТРКС	The same ultimate parent company	Purchase	NT\$ 31,559,697 (approximately US\$ 1,014,035)	57.09	60 days after monthly closing	No significant difference	No significant difference	NT\$ 7,156,562 (approximately US\$ 233,075)	70.79	
	TPKS	The same ultimate parent company	Purchase	NT\$ 3,809,679 (approximately US\$ 122,408)	6.89	60 days after monthly closing	No significant difference	No significant difference	NT\$ 810,994 (approximately US\$ 26,412)	8.02	
	TPKG	The same ultimate parent company	Purchase	NT\$ 1,697,562 (approximately US\$ 54,544)	3.07	60 days after monthly closing	No significant difference	No significant difference	NT\$ 357,530 (approximately US\$ 11,644)	3.54	
	TPKD	The same ultimate parent company	Purchase	NT\$ 24,238,644 (approximately US\$ 778,804)	43.85	60 days after monthly closing	No significant difference	No significant difference	NT\$ 5,766,989 (approximately US\$ 187,819)	57.05	
	TPKC	The same ultimate parent company	Sales	NT\$ 9,541,666 (approximately US\$ 306,580)	13.66	45 days after monthly closing	No significant difference	No significant difference	NT\$ 2,429,488 (approximately US\$ 79,124)	26.63	
	TPKS	The same ultimate parent company	Sales	NT\$ 1,952,568 (approximately US\$ 62,737)	2.79	60 days after monthly closing	No significant difference		NT\$ 306,852 (approximately US\$ 9,994)	3.36	
	TPKD	The same ultimate parent company	Sales	NT\$ 15,570,987 (approximately US\$ 500,306)	22.29	45 days after monthly closing	No significant difference		NT\$ 2,626,783 (approximately US\$ 85,549)	28.79	
	TES TW	Related party in substance	Sales	NT\$ 168,571 (approximately US\$ 5,416)	0.24	60 days after monthly closing	No significant difference	No significant difference	NT\$ 11,286 (approximately US\$ 368)	0.12	
	TES XM	Related party in substance	Sales	NT\$ 482,797 (approximately US\$ 15,513)	0.69	60 days after monthly closing	No significant difference	No significant difference	NT\$ 75,355 (approximately US\$ 2,454)	0.83	
РКР	TPKC	The same ultimate parent company	Sales	NT\$ 102,762 (approximately US\$ 3,302)	0.15	60 days after monthly closing	No significant difference	No significant difference	-	-	

Company Name	D. 1. 1. 1. 1.			Trai	nsaction Deta	ail	Abnormal	Transaction	Notes/Tr Receivable (P		<b>N</b> T (
Company Name	Related Party	Relationship	Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	Note
TPKD	ТРК НК	The same ultimate parent company	Purchase	NT\$ 15,527,857 (approximately US\$ 498,921)	28.09	45 days after monthly closing	No significant difference	No significant difference	NT\$ 2,626,783 (approximately US\$ 85,549)	25.98	
	TPKJ	The same ultimate parent company	Purchase	NT\$ 1,486,519 (approximately	2.69	60 days after monthly closing	No significant difference	No significant difference	NT\$ 417,518 (approximately	4.13	
	ТРК НК	The same ultimate parent company	Sales	US\$ 47,763) NT\$ 24,238,644 (approximately US\$ 778,804)	34.70	60 days after monthly closing	No significant difference	No significant difference	US\$ 13,598) NT\$ 5,766,989 (approximately US\$ 187,819)	63.21	
АМРН	AMP HK	The same ultimate parent company	Sales	NT\$ 267,373 (approximately US\$ 8,591)	0.38	60 days after monthly closing	No significant difference	No significant difference	NT\$ 13,375 (approximately US\$ 436)	0.15	
АМР НК	АМРН	The same ultimate parent company	Purchase	NT\$ 267,372 (approximately US\$ 8,591)	0.48	60 days after monthly closing	No significant difference	No significant difference	NT\$ 13,375 (approximately US\$ 436)	0.13	
AUTO XM	AUTO HK	The same ultimate parent company	Sales	NT\$ 1,226,642 (approximately US\$ 39,413)	1.76	60 days after monthly closing	No significant difference	No significant difference	NT\$ 478,326 (approximately US\$ 15,578)	5.24	
AUTO HK	AUTO XM	The same ultimate parent company	Purchase	NT\$ 1,222,554 (approximately US\$ 39,281)	2.21	60 days after monthly closing	No significant difference	No significant difference	NT\$ 478,326 (approximately US\$ 15,578)	4.73	
TPKF	TPKJ	The same ultimate parent company	Purchase	NT\$ 668,025 (approximately US\$ 21,464)	1.21	60 days after monthly closing	No significant difference	No significant difference	NT\$ 195,153 (approximately US\$ 6,356)	1.93	
	ТРКЈ НК	The same ultimate parent company	Purchase	NT\$ 153,259 (approximately US\$ 4,924)	0.28	60 days after monthly closing	No significant difference	No significant difference		-	
	ТРКС	The same ultimate parent company	Sales	NT\$ 283,024 (approximately US\$ 9,094)	0.41	60 days after monthly closing	No significant difference	No significant difference	NT\$ 68,060 (approximately US\$ 2,217)	0.75	
	TPKG	The same ultimate parent company	Sales	NT\$ 1,668,381 (approximately US\$ 53,606)	2.39	60 days after monthly closing	No significant difference	No significant difference	NT\$ 791,826 (approximately US\$ 25,788)	8.68	
ТРКСА	ТРКЕ	The same ultimate parent company	Sales	NT\$ 720,318 (approximately US\$ 23,144)	1.03	60 days after monthly closing	No significant difference	No significant difference	NT\$ 600,433 (approximately US\$ 19,555)	6.58	
ТРКЕ	TPKCA	The same ultimate parent company	Purchase	NT\$ 720,318 (approximately US\$ 23,144)	1.30	60 days after monthly closing	No significant difference	No significant difference	NT\$ 600,433 (approximately US\$ 19,555)	5.94	

Company Name	Related Party	Relationship		Trai	nsaction Deta	ail	Abnormal	Transaction	Notes/Tr Receivable (P		Note
Company Name	Related 1 arty	Relationship	Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	Note
ТРКЈ	ТРКЈ НК	The same ultimate parent company	Purchase	NT\$ 789,542 (approximately US\$ 25,369)	1.43	60 days after monthly closing	No significant difference	No significant difference	NT\$ 134,450 (approximately US\$ 4,379)	1.33	
	TPKD	The same ultimate parent company	Sales	NT\$ 1,486,523 (approximately US\$ 47,763)	2.13	60 days after monthly closing	No significant difference	No significant difference	NT\$ 417,518 (approximately US\$ 13,598)	4.58	
	TPKF	The same ultimate parent company	Sales	NT\$ 668,025 (approximately US\$ 21,464)	0.96	60 days after monthly closing	No significant difference	No significant difference	NT\$ 195,153 (approximately US\$ 6,356)	2.14	
	ТРКЈ НК	The same ultimate parent company	Sales	NT\$ 165,344 (approximately US\$ 5,313)	0.24	60 days after monthly closing	No significant difference	No significant difference	NT\$ 39,396 (approximately US\$ 1,283)	0.43	
ТРКЈ НК	TPKJ	The same ultimate parent company	Purchase	NT\$ 165,344 (approximately US\$ 5,313)	0.30	60 days after monthly closing	No significant difference	No significant difference	NT\$ 39,396 (approximately US\$ 1,283)	0.39	
	ТРКС	The same ultimate parent company	Sales	NT\$ 167,450 (approximately US\$ 5,380)	0.24	60 days after monthly closing	No significant difference	No significant difference	NT\$ 29,903 (approximately US\$ 974)	0.33	
	TPKF	The same ultimate parent company	Sales	NT\$ 153,259 (approximately US\$ 4,924)	0.22	60 days after monthly closing	No significant difference	difference	-	-	
	TPKJ	The same ultimate parent company	Sales	NT\$ 789,542 (approximately US\$ 25,369)	1.13	60 days after monthly closing	No significant difference	No significant difference	NT\$ 134,450 (approximately US\$ 4,379)	1.47	

Note 1: The sales prices and payment terms of intercompany and related party sales and purchases were not significantly different from those transactions with third parties.

(Concluded)

Note 2: Except for TES TW and TES XM, intercompany balances and transactions were eliminated upon consolidation.

Note 3: The average exchange rate from U.S. dollars to New Taiwan dollars for the year ended December 31, 2023 was US\$1=NT\$31.1229.

Note 4: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.

# RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL DECEMBER 31, 2023 (In Thousands)

			Ending Balance		Ov	erdue	<b>Amount Received in</b>	Allowance for
Company Name	Related Party	Relationship	(Notes 1 and 3)	Turnover Rate	Amount (Note 1)	Action Taken	Subsequent Period (Note 2)	Impairment Loss
ТРКС	ТРК НК	The same ultimate parent company	Trade receivables NT\$ 7,156,562 (approximately US\$ 233,075)	4.37	\$ -	-	NT\$ 3,515,386 (approximately US\$ 114,489)	\$ -
TPKS	ТРК НК	The same ultimate parent company	Trade receivables NT\$ 810,994 (approximately US\$ 26,412)	3.61	-	-	NT\$ 810,994 (approximately US\$ 26,412)	-
TPKG	ТРКС	The same ultimate parent company	Trade receivables NT\$ 920,153 (approximately US\$ 29,968)	5.54	NT\$ 40,035 (approximately US\$ 1,304)	Enhanced collections	NT\$ 790,430 (approximately US\$ 25,743)	-
			Notes receivable NT\$ 1,257,308 (approximately US\$ 40,948)	-	-	-	NT\$ 303,488 (approximately US\$ 9,884)	-
	TPKS	The same ultimate parent company	Trade receivables NT\$ 238,509 (approximately US\$ 7,768)	2.63	-	-	NT\$ 164,854 (approximately US\$ 5,369)	-
			Notes receivable NT\$ 39,020 (approximately US\$ 1,271) Other receivables	-	-	-	NT\$ 39,020 (approximately US\$ 1,271)	-
	ТРК НК	The same ultimate parent company	NT\$ 876,856 (approximately US\$ 28,557) Trade receivables	-	-	-	NT\$ 14,083 (approximately US\$ 459)	-
		The same unimate parent company	NT\$ 357,530 (approximately US\$ 11,644)	5.06	NT\$ 7,150 (approximately US\$ 233)	Enhanced collections	NT\$ 200,990 (approximately US\$ 6,546)	-

Company Name			<b>Ending Balance</b>			erdue	Amount Received in	Allowance for
Company Name	Related Party	Relationship	(Notes 1 and 3)	Turnover Rate	Amount (Note 1)	Action Taken	Subsequent Period (Note 2)	Impairment Loss
ГРК НК	TPKC	The same ultimate parent company	Trade receivables NT\$ 2,429,488 (approximately US\$ 79,124)	4.97	\$ -	-	NT\$ 1,670,898 (approximately US\$ 54,418)	\$ -
			Dividends receivable NT\$ 975,805 (approximately US\$ 31,780)	-	-	-	NT\$ 975,805 (approximately US\$ 31,780)	-
	TPKS	The same ultimate parent company	Trade receivables NT\$ 306,852 (approximately	3.84	-	-	NT\$ 192,813 (approximately	-
	TPKD	The same ultimate parent company	US\$ 9,994)  Trade receivables  NT\$ 1,312,723  (approximately  US\$ 42,753)	8.22	-	-	US\$ 6,280)  NT\$ 1,312,723 (approximately US\$ 42,753)	-
			Notes receivable NT\$ 1,314,060 (approximately US\$ 42,796)	-	-	-	-	-
ГРКО	ТРК НК	The same ultimate parent company	Trade receivables NT\$ 5,766,989 (approximately US\$ 187,819)	2.55	NT\$ 195,149 (approximately US\$ 6,356)	Enhanced collections	NT\$ 2,669,837 (approximately US\$ 86,951)	-
ТРКСА	TPKE	The same ultimate parent company	Trade receivables NT\$ 600,433 (approximately US\$ 19,555)	2.37	-	-	NT\$ 600,433 (approximately US\$ 19,555)	-
ГРКЈ	TPKD	The same ultimate parent company	Trade receivables NT\$ 417,518 (approximately	3.54	-	-	-	-
	TPKF	The same ultimate parent company	US\$ 13,598)  Trade receivables  NT\$ 195,153  (approximately  US\$ 6,356)	3.75	-	-	-	-
ГРКЈ НК	ТРКЈ	The same ultimate parent company	Trade receivables NT\$ 134,450 (approximately US\$ 4,379)	-	-	-	-	-

			<b>Ending Balance</b>		Ov	erdue	Amount Received in	Allowance for
Company Name	Related Party	Relationship	(Notes 1 and 3)	Turnover Rate	Amount (Note 1)	Action Taken	Subsequent Period (Note 2)	Impairment Loss
TPKF	TPKG	The same ultimate parent company	Trade receivables NT\$ 423,305 (approximately US\$ 13,786) Notes receivable NT\$ 368,521 (approximately US\$ 12,002)	4.54	\$ -	- -	NT\$ 423,305 (approximately US\$ 13,786) NT\$ 130,066 (approximately US\$ 4,236)	\$ -
AUTO XM	AUTO HK	The same ultimate parent company	Trade receivables NT\$ 478,326 (approximately US\$ 15,578)	2.67	-	-	NT\$ 286,876 (approximately US\$ 9,343)	-

Note 1: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.

(Concluded)

Note 2: The amount received in the subsequent period means that the collection was made by February 29, 2024.

Note 3: Please refer to Table 1 for information on financing provided to related parties.

INFORMATION ON INVESTEES FOR THE YEAR ENDED DECEMBER 31, 2023 (In Thousands)

				Original Inve	stment Amount	Balance a	as of Decembe	r 31, 2023	Net Income (Loss)	Share of Profits
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount	of the Investee	(Loss) Note
				(Note 1)	(Note 1)	114111001 01 0141100	, ,	(Notes 1 and 3)	(Note 2)	(Notes 2 and 3)
ТРКН	Improve	Samoa	Holding company	NT\$ 4,743,615	NT\$ 4,743,615	154,490,000	100.00	NT\$ 3,976,383	NT\$ (20,092)	NT\$ (20,092) Subsidiary
				(approximately	(approximately			(approximately	(approximately	(approximately
	UYH	Samoa	Holding company	US\$ 154,490) NT\$ 16,408,092	US\$ 154,490) NT\$ 8,043,666	261,344,530	100.00	US\$ 129,503) NT\$ 40,563,201	US\$ -646) NT\$ 709,279	US\$ -646) NT\$ 528,774 Subsidiary (Note 5)
	0111	Samoa	Troiding company	(approximately	(approximately	201,544,550	100.00	(approximately	(approximately	(approximately
	Pilai	***	W 11	US\$ 534,379)	US\$ 261,966)	460,400,000	100.00	US\$ 1,321,062)	US\$ 22,790)	US\$ 16,990)
	RUSL	Hong Kong	Holding company	NT\$ 5,200,306 (approximately	NT\$ 14,415,936 (approximately	469,498,000	100.00	NT\$ 1,017,761 (approximately	NT\$ 185,909 (approximately	NT\$ 185,909 Subsidiary (Note 5) (approximately
				US\$ 169,364)	US\$ 469,498)			US\$ 33,146)	US\$ 5,973)	US\$ 5,973)
	AMPH	Cayman	Holding company; research, development, manufacture and sale of resin products	NT\$ 184,230	NT\$ 184,230	60,000,000	57.69	NT\$ 233,609	NT\$ 83,012	NT\$ 47,890 Subsidiary
				(approximately US\$ 6,000)	(approximately US\$ 6,000)			(approximately US\$ 7,608)	(approximately US\$ 2,667)	(approximately US\$ 1,539)
Improve	TPKA	Malaysia	Holding company	NT\$ 5,115,117	NT\$ 5,115,117	632,187	100.00	NT\$ 4,120,593	NT\$ 163,325	Sub-subsidiary (Note 6)
				(approximately US\$ 166,589)	(approximately US\$ 166,589)			(approximately US\$ 134,199)	(approximately US\$ 5,248)	
TPKA	TPKT	Taiwan	Touch related material, modules and electric utility vehicles sales	NT\$ 2,911,700 (approximately	NT\$ 2,911,700 (approximately	50,717,000	100.00	NT\$ 1,886,157 (approximately	NT\$ 66,440 (approximately	Sub-subsidiary
				US\$ 116,433)	US\$ 116,433)			US\$ 61,428)	US\$ 2,135)	
TPKT	DSE	Taiwan	Solar energy system development and equipments trade, maintenance, installation and management services	NT\$ 60,000 (approximately	NT\$ 60,000 (approximately	6,000,000	50.22	NT\$ 52,137 (approximately	NT\$ (16,006) (approximately	Sub-subsidiary
			and management services	US\$ 2,033)	US\$ 2,033)			US\$ 1,698)	US\$ -514)	
	TPKE	Taiwan	Electrical equipments manufacture	NT\$ 84,000	-	8,400,000	70.00	NT\$ 92,857	NT\$ 12,670	Sub-subsidiary (Note 7)
				(approximately US\$ 2,637)				(approximately US\$ 3,024)	(approximately US\$ 407)	
								3,021)		
UYH	OTH	Singapore	Holding company	NT\$ 35,148,380	NT\$ 35,148,380	1,079,816,942	100.00	NT\$ 29,845,287	NT\$ 976,825	Sub-subsidiary
				(approximately US\$ 1,144,712)	(approximately US\$ 1,144,712)			(approximately US\$ 972,001)	(approximately US\$ 31,386)	
	ТРК НК	Hong Kong	Touch modules related research; holding company and international trade	NT\$ 13,112,842	NT\$ 13,112,842	664,245,254	100.00	NT\$ 11,651,872	NT\$ (225,966)	Sub-subsidiary
				(approximately US\$ 427,058)	(approximately US\$ 427,058)			(approximately US\$ 379,478)	(approximately US\$ -7,260)	
				03\$ 427,036)	03\$ 427,038)			03\$ 379,478)	03\$ -7,200)	
OTH	TPKU	U.S.A.	International trade	-	NT\$ 147,384	-	-	-	NT\$ 2,185	Sub-subsidiary (Note 8)
					(approximately US\$ 4,800)				(approximately US\$ 70)	
									ŕ	
RUSL	UYH	Samoa	Holding company	-	NT\$ 9,202,578	-	-	-	NT\$ 709,279	Sub-subsidiary (Note 5)
					(approximately US\$ 299,709)				(approximately US\$ 22,790)	
									,,	
ТРК НК	Cando	Taiwan	Touch modules research, development and manufacture	NT\$ 5,581,773 (approximately	NT\$ 5,581,773 (approximately	77,124,591	19.78	-	-	Associate accounted for using equity method (Note 9)
				US\$ 193,574)	US\$ 193,574)					equity method (Note 9)
	UBCO	New Zealand	Electric utility vehicles research, development, manufacture and sales	NT\$ 390,023	-	29,311,931	21.00	NT\$ 103,650	NT\$ (680,011)	Associate accounted for using
				(approximately US\$ 12,702)				(approximately US\$ 3,376)	(approximately US\$ -21,849)	equity method (Note 10)
				12,702)					-21,049)	
TPKGA	TPKGA HK	Hong Kong	International trade	NT\$ 116	-	3,773	100.00	NT\$ 15,145	NT\$ 15,234	Sub-subsidiary (Note 11)
				(approximately US\$ 4)				(approximately US\$ 493)	(approximately US\$ 489)	
				,						
TPKJ	ТРКЈ НК	Hong Kong	International trade	NT\$ 15,353	NT\$ 15,353	500,000	100.00	NT\$ 98,634	NT\$ 22,610	Sub-subsidiary
				(approximately US\$ 500)	(approximately US\$ 500)			(approximately US\$ 3,212)	(approximately US\$ 726)	
								,/		

				Original Inves	stment Amount	Balance as	of December	r 31, 2023	Net Income (Loss)	Share of Profits	
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2023 (Note 1)	December 31, 2023 December 31, 2022 (Note 1) (Note 1)		%	Carrying Amount (Notes 1 and 3)	of the Investee (Note 2)	(Loss) (Notes 2 and 3)	Note
АМРН	АМР НК	Hong Kong	Holding company and international trade	NT\$ 61,410 (approximately US\$ 2,000)	NT\$ 61,410 (approximately US\$ 2,000)	2,000,000	100.00	NT\$ 197,067 (approximately US\$ 6,418)	NT\$ 123,938 (approximately US\$ 3,982)		Sub-subsidiary
	АМРСН	Hong Kong	International trade	NT\$ 307 (approximately US\$ 10)	NT\$ 307 (approximately US\$ 10)	10,000	100.00	NT\$ 102 (approximately US\$ 3)	NT\$ (78) (approximately US\$ -3)		Sub-subsidiary
AUTO XM	АИТО НК	Hong Kong	International trade	NT\$ 125,891 (approximately US\$ 4,100)	NT\$ 30,705 (approximately US\$ 1,000)	4,100,000	100.00	NT\$ 34,807 (approximately US\$ 1,134)	NT\$ 11,704 (approximately US\$ 376)		Sub-subsidiary
АИТО НК	AUTO TH	Thailand	Touch modules research, development, manufacture and sales	NT\$ 67,551 (approximately US\$ 2,200)	-	7,833,644	100.00	NT\$ 73,039 (approximately US\$ 2,379)	NT\$ 2,331 (approximately US\$ 75)		Sub-subsidiary (Note 12)

- Note 1: Except for subsidiaries in Taiwan which were translated into U.S. dollars based on the average exchange rate of the month of investment injection, the exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.
- Note 2: Except for the translation of the U.S. dollar equivalent of investments accounted for using the equity method, which was translated into U.S. dollars to New Taiwan dollars for the month in which the investment was made, the rest was translated into U.S. dollars using the average exchange rate of U.S. dollars to New Taiwan dollars for the year ended December 31, 2023 was US\$1=NT\$31.1229.
- Note 3: Except for Cando and UBCO, intercompany balances and transactions were eliminated upon consolidation.
- Note 4: Please refer to Table 8 for information on investment in mainland China.
- Note 5: In order to streamline the organizational structure, the Company's board of directors resolved to return 20.51% of the equity of UYH held by RUSL to the Company by the capital reduction in the amount of US\$300,134 thousand on RUSL, which was completed on December 29, 2023. After the capital reduction, the percentage of UYH's equity held by the Company increased from 79.49% to 100.00%. The Company also dissolved and liquidated RUSL, but as of March 29, 2024, the process of dissolution and liquidation procedures was not completed.
- Note 6: In order to streamline the organizational structure, the Company resolved to dissolve and liquidate TPKA. As of March 29, 2024, the process of dissolution and liquidation was not completed.
- Note 7: For operational needs, the Company's board of directors resolved that TPKT set up TPKE in Taiwan as its subsidiary, which was completed on July 27, 2023 and received a capital investment of \$1,000 thousand and \$83,000 thousand in July and October 2023, respectively.
- Note 8: In order to streamline the organizational structure, TPKU has completed the dissolution and liquidation process on November 14, 2023.
- Note 9: Based on assessments, the recoverable amounts of the Company's interests in Cando were less than their carrying amounts. Hence, impairment losses of the total carrying amounts were recognized. Refer to Note 13 to the consolidated financial statements for more information.
- Note 10: TPK HK's board of directors resolved to participate in the cash capital increase in UBCO in the amount of US\$5,000 thousand and acquired 9,964 thousand preference shares on January 3, 2023. After the capital increase, summing up 19,348 thousand preference shares of UBCO held by TPK HK as of December 31, 2022, and TPK HK held a total of 29,312 thousand preference shares of UBCO.
- Note 11: For operational needs, the Company's board of directors resolved that TPKGA set up TPKGA HK in Hong Kong as its subsidiary, which was completed on June 15, 2023 and received a capital investment of US\$4 thousand on December 28, 2023.
- Note 12: For operational needs, the Company's board of directors resolved that AUTO HK set up AUTO TH in Thailand as its subsidiary, which was completed on September 4, 2023 and received a capital investment of Baht 43,536 thousand, Baht 34,800 thousand, and Baht 71,664 thousand on October 19, 2023, December 18, 2023, and January 8, 2024, respectively.

(Concluded)

### INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands)

				Accumulated Remittance of Funds			Accumulated					Accumulated
Investee Company	Main Business and Products	Paid in Capital (Notes 2 and 3)	Method of Investment (Note 1)	Outward Remittance	Outward	Inward		Net Income (Loss) of the investee (Note 4)	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Notes 4 and 5)	Carrying Amount as of December 31, 2023 (Note 3)	Repatriation of Investment Income as of December 31, 2023 (Note 3)
TPKC	Touch modules research, development, manufacture and sales	NT\$ 10,871,615 (approximately US\$ 354,067)	b.1)	\$ -	\$ -	\$ -	\$ -	NT\$ 1,255,685 (approximately US\$ 40,346)	100.00	NT\$ 1,255,685 (approximately US\$ 40,346)	NT\$ 33,147,581 (approximately US\$ 1,079,550)	\$ -
TPKS	Touch modules research, development, manufacture and sales	NT\$ 767,625 (approximately US\$ 25,000)	b.2)	-	-	-	-	NT\$ 232,550 (approximately US\$ 7,472)	100.00	NT\$ 232,550 (approximately US\$ 7,472)	NT\$ 1,676,843 (approximately US\$ 54,611)	-
TPKG	Touch modules research, development, manufacture and sales	NT\$ 17,130,062 (approximately US\$ 557,892)	b.2)	-	-	-	-	NT\$ (246,936) (approximately US\$ -7,934)	100.00	NT\$ (246,936) (approximately US\$ -7,934)	NT\$ 5,339,371 (approximately US\$ 173,893)	NT\$ 167,105 (approximately US\$ 5,442)
МТОН	Touch modules research, development, manufacture and sales	NT\$ 2,640,630 (approximately US\$ 86,000)	c.	-	-	-	-	NT\$ (141,444) (approximately US\$ -4,545)	100.00	NT\$ (133,384) (approximately US\$ -4,286)	NT\$ 1,314,246 (approximately US\$ 42,802)	-
ТРКР	Touch modules research, development, manufacture and sales	NT\$ 6,719,851 (approximately US\$ 218,852)	b.2)	-	-	-	-	NT\$ (191,646) (approximately US\$ -6,158)	100.00	NT\$ (191,646) (approximately US\$ -6,158)	NT\$ (4,991,332) (approximately US\$ -162,558)	-
TPKQ	Inspection and testing services	NT\$ 6,924 (approximately US\$ 226)	c.	-	-	-	-	NT\$ (6,946) (approximately US\$ -223)	100.00	NT\$ (6,946) (approximately US\$ -223)	NT\$ (35,089) (approximately US\$ -1,143)	-
TPKD	Touch modules research, development, manufacture and sales	NT\$ 5,463,385 (approximately US\$ 177,931)	b.2)	-	-	-	-	NT\$ (638,533) (approximately US\$ -20,517)	100.00	NT\$ (638,533) (approximately US\$ -20,517)	NT\$ 12,842,893 (approximately US\$ 418,267)	-
AMP XM	Resin products research, development, manufacture and sales	NT\$ 46,058 (approximately US\$ 1,500)	b.3)	-	-	-	-	NT\$ (5,302) (approximately US\$ -170)	57.69	NT\$ (3,059) (approximately US\$ -98)	NT\$ 34,195 (approximately US\$ 1,114)	-
ТРКЈ	Protective film and optical adhesive manufacture and sales	NT\$ 110,538 (approximately US\$ 3,600)	c.	-	-	-	-	NT\$ 366,795 (approximately US\$ 11,785)	100.00	NT\$ 365,538 (approximately US\$ 11,745)	NT\$ 657,121 (approximately US\$ 21,401)	-
TPKF	Touch modules, protective film and optical adhesive manufacture and sales	NT\$ 1,256,142 (approximately US\$ 40,910)	c.	-	-	-	-	NT\$ 135,832 (approximately US\$ 4,364)	100.00	NT\$ 135,832 (approximately US\$ 4,364)	NT\$ 351,893 (approximately US\$ 11,460)	-
TPKMT	Electronic material manufacture	NT\$ 307,050 (approximately US\$ 10,000)	b.2)	-	-	-	-	NT\$ (24,032) (approximately US\$ -772)	100.00	NT\$ (24,032) (approximately US\$ -772)	NT\$ 222,879 (approximately US\$ 7,259)	-
ТРКСА	Trade, touch modules manufacture and sales	NT\$ 1,748,496 (approximately US\$ 56,945)	c.	-	-	-	-	NT\$ (176,141) (approximately US\$ -5,660)	100.00	NT\$ (176,141) (approximately US\$ -5,660)	NT\$ 1,288,398 (approximately US\$ 41,961)	-

Investee Company	Main Business and Products	Paid in Capital (Notes 2 and 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	ance of Funds Inward	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	(Note 4)	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Notes 4 and 5)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2023 (Note 3)
AUTO XM	Touch modules research, development, manufacture and sales	NT\$ 609,659 (approximately US\$ 19,855)	c.	\$ -	\$ - \$ -	\$ -	NT\$ (114,768) (approximately US\$ -3,688)	90.00	NT\$ (103,291) (approximately US\$ -3,319)	NT\$ 281,707 (approximately US\$ 9,175)	\$ -
TPKGA	Electric utility vehicles manufacture and optoelectronic components manufacture and sales	NT\$ 176,085 (approximately US\$ 5,735)	c.	-	-	-	NT\$ (36,864) (approximately US\$ -1,184)	100.00	NT\$ (36,864) (approximately US\$ -1,184)	NT\$ 132,056 (approximately US\$ 4,301)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
-	-	-

Note 1: There are three types of investments, which are labeled as follows:

- a. Directly investing in China.
- b. Reinvestment in China through third-party companies:

  - OTH;
     TPK HK;
     AMP HK.
- c. Other ways.
- Note 2: It is calculated based on historical cost.
- Note 3: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2023 was US\$1=NT\$30.705.
- Note 4: The average exchange rate from U.S. dollars to New Taiwan dollars for the year ended December 31, 2023 was US\$1=NT\$31.1229.
- Note 5: The investee company's financial report was audited by parent company's auditors.

(Concluded)

# INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands)

				Transactions Details							
No. (Note 1)	Company Name (Note 2)	Counterparty (Note 2)	Relationship (Note 3)	Financial Statement Account	Amount (Approximately US\$)	Amount (NT\$)	Terms (Note 4)	Percentage of Consolidated Total Gross Sales or Total Assets (Note 5)			
1	ТРКН	RUSL	1	Short-term borrowings	\$ 31,000	\$ 951,855	-	1.08			
		ТРК НК	1	Short-term borrowings	181,000	5,557,605	-	6.31			
		ТРК НК	1	Accrued expenses	4,840	148,609	-	0.17			
		ТРК НК	1	Interest Expense	11,124	346,220	-	0.50			
2	Improve	ТРК НК	3	Short-term borrowings	29,000	890,445	-	1.01			
3	UYH	ТРК НК	3	Long-term borrowings	30,000	921,150	-	1.05			
4	TPKA	ТРК НК	3	Other current assets	3,463	106,329	<u>-</u>	0.12			
•		ТРК НК	3	Loan to related parties - long-term	39,000	1,197,495	_	1.36			
		ТРК НК	3	Loan to related parties - short-term	28,000	859,740	_	0.98			
		TPK HK	3	Interest Income	3,078	95,805	-	0.14			
5	АМРН	AMP HK	3	Sales	8,591	267,373	-	0.38			
6	TPKT	ТРК НК	3	Loan to related parties - short-term	20,000	614,100	-	0.70			
7	TPKC	TPKS	3	Short-term borrowings	23,143	710,612		0.81			
		TPKG	3	Loan to related parties - short-term	90,034	2,764,494	-	3.14			
		TPKG	3	Trade payables	29,968	920,153	-	1.05			
		TPKG	3	Notes payable	40,948	1,257,308	-	1.43			
		TPKG	3	Purchase	99,791	3,105,793	-	4.45			
		TPKG	3	Sales	7,616	237,024	-	0.34			
		ТРК НК	3	Loan to related parties - short-term	30,000	921,150	-	1.05			
		TPK HK	3	Trade receivables, net	233,075	7,156,562	-	8.13			
		TPK HK	3	Trade payables	79,124	2,429,488	-	2.76			
		TPK HK	3	R&D expense	11,040	343,606	-	0.49			
		TPK HK	3	Purchase	295,540	9,198,059	-	13.17			
		TPK HK	3	Sales	1,014,035	31,559,697	-	45.17			
		МТОН	3	Loan to related parties - short-term	6,426	197,314	-	0.22			
		TPKP	3	Loan to related parties - short-term	255,153	7,834,485	-	8.90			
		TPKP	3	Purchase	3,302	102,762	-	0.15			
		TPKD	3	Loan to related parties - short-term	78,000	2,394,990	-	2.72			
		TPKD	3	Short-term borrowings	39,607	1,216,121	-	1.38			
		TPKD	3	Rental income	6,511	202,643	-	0.29			
		TPKD	3	Non-operating income	4,471	139,151	-	0.20			

				Transactions Details							
No. (Note 1)	Company Name (Note 2)	Counterparty (Note 2)	Relationship (Note 3)	Financial Statement Account	Amount (Approximately US\$)	Amount (NT\$)	Terms (Note 4)	Percentage of Consolidated Total Gross Sales or Tota Assets (Note 5)			
7	TPKC	TPKCA	3	Loan to related parties - short-term	\$ 17,947	\$ 551,048	-	0.63			
		TPKF	3	Loan to related parties - short-term	6,707	205,938	-	0.23			
		TPKF	3	Purchase	9,094	283,024	-	0.41			
		AUTO XM	3	Sales	2,580	80,287	_	0.11			
		ТРКЈ	3	Short-term borrowings	18,213	559,242	-	0.64			
		ТРКЈ НК	3	Purchase	5,380	167,450	-	0.24			
8	TPKS	TPKG	3	Trade payables	7,768	238,509	-	0.27			
		TPKG	3	Accrued expenses	28,557	876,856	-	1.00			
		TPKG	3	Direct Personnel - Payroll Expenses	2,272	70,711	-	0.10			
		TPKG	3	Purchase	23,254	723,742	-	1.04			
		TPK HK	3	Trade receivables, net	26,412	810,994	-	0.92			
		ТРК НК	3	Trade payables	9,994	306,852	-	0.35			
		ТРК НК	3	Purchase	62,737	1,952,568	-	2.79			
		ТРК НК	3	Sales	122,408	3,809,679	-	5.45			
9	TPKG	TPK HK	3	Trade receivables, net	11,644	357,530	-	0.41			
		TPK HK	3	Sales	54,544	1,697,562	-	2.43			
		TPKF	3	Trade payables	13,786	423,305	-	0.48			
		TPKF	3	Notes payable	12,002	368,521	-	0.42			
		TPKF	3	Purchase	53,606	1,668,381	-	2.39			
10	ТРК НК	TPKD	3	Trade receivables, net	42,753	1,312,723	-	1.49			
		TPKD	3	Notes receivable	42,796	1,314,060	-	1.49			
		TPKD	3	Trade payables	187,819	5,766,989	-	6.55			
		TPKD	3	Purchase	778,804	24,238,644	-	34.70			
		TPKD	3	Sales	500,306	15,570,987	-	22.29			
		AUTO HK	3	Loan to related parties - short-term	9,000	276,345	-	0.31			
		OTH	3	Short-term borrowings	7,000	214,935	-	0.24			
11	TPKD	TPKJ	3	Trade payables	13,598	417,518	-	0.47			
		TPKJ	3	Purchase	47,763	1,486,519	-	2.13			
		TPKJ	3	Non-operating income	4,026	125,287	-	0.18			
12	TPKCA	TPKE	3	Trade receivables, net	19,555	600,433	-	0.68			
		TPKE	3	Sales	23,144	720,318	-	1.03			
13	TPKF	TPKJ	3	Trade payables	6,356	195,153	-	0.22			
		TPKJ	3	Purchase	21,464	668,025	-	0.96			
		ТРКЈ НК	3	Purchase	4,924	153,259	-	0.22			
14	AUTO HK	AUTO XM	3	Trade payables	15,578	478,326	-	0.54			
		AUTO XM	3	Purchase	39,281	1,222,554	-	1.75			
15	TPKJ	TPKJ HK	3	Trade payables	4,379	134,450	-	0.15			
		TPKJ HK	3	Purchase	25,369	789,542	-	1.13			
		ТРКЈ НК	3	Sales	5,313	165,344	-	0.24			

- Note 1: The parent company is indicated by "1", while all other numbers indicate subsidiaries.
- Note 2: The company name and counterparty are listed in Note 12 to the consolidated financial statements.
- Note 3: No. 1 represents the transactions from parent company to subsidiary.
  - No. 2 represents the transactions from subsidiary to parent company.
  - No. 3 represents the transactions between subsidiaries.
- Note 4: The sales prices and payment terms of intercompany sales and purchases were not significantly different from those transactions with third parties. For other intercompany transactions, prices and terms are determined based on mutual agreements.
- Note 5: Other transactions that were less than 0.1% of total assets or sales are not disclosed.
- Note 6: Intercompany balances and transactions were eliminated upon consolidation.

(Concluded)

# INFORMATION OF MAJOR SHAREHOLDERS DECEMBER 31, 2023

	Shares			
Name of Major Shareholder	Number of	Percentage of		
	Shares	Ownership (%)		
Max Gain Management Limited Capable Way Investments Limited	25,222,643 23,139,855	6.20 5.69		

- Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.
- Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.