

Stock Code : 8105

GIANTPLUS TECHNOLOGY CO., LTD.

2023 Annual Report

Notice to readers

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

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Corporate Website: <http://www.giantplus.com.tw>

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Overseas Securities Exchange: Not applicable

Corporate Website

<http://www.giantplus.com.tw>

CONTENT

| | |
|---|------------|
| I. A LETTER TO SHAREHOLDERS | 1 |
| II. COMPANY PROFILE..... | 3 |
| 2.1 DATE OF INCORPORATION: DECEMBER 15, 1997 | 3 |
| 2.2 COMPANY HISTORY..... | 3 |
| III. CORPORATE GOVERNANCE REPORT | 4 |
| 3.1 ORGANIZATION SYSTEM..... | 4 |
| 3.2 DIRECTORS, SUPERVISORS GENERAL MANAGER, DEPUTY GENERAL MANAGER, ASSISTANT GENERAL MANAGER, DEPARTMENT HEADS, AND BRANCH MANAGERS INFORMATION..... | 7 |
| 3.3 IMPLEMENTATION OF CORPORATE GOVERNANCE | 29 |
| 3.4 REPLACEMENT OF CPA: NONE | 74 |
| 3.5 THE COMPANY'S CHAIRMAN, PRESIDENT, AND MANAGERS IN CHARGE OF ITS FINANCE OR ACCOUNTING OPERATIONS HELD POSITIONS IN THE COMPANY'S INDEPENDENT AUDITING FIRM OR ITS AFFILIATES IN THE MOST RECENT YEAR: NONE..... | 74 |
| 3.6 CHANGES IN SHAREHOLDING OF DIRECTORS, MANAGERS AND MAJOR SHAREHOLDERS HOLDING MORE THAN TEN PERCENT OF SHARES, FOR THE MOST RECENT FISCAL YEAR AND UP TO THE PRINTING DATE OF THE ANNUAL REPORT..... | 74 |
| 3.7 RELATIONSHIP AMONG THE TOP TEN SHAREHOLDERS, INFORMATION REGARDING THEIR RELATIONSHIPS WITH EACH OTHER AS RELATED PARTIES UNDER FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) STATEMENT NO. 6, OR AS RELATIVES WITHIN THE SECOND DEGREE OF CONSANGUINITY OR AFFINITY..... | 77 |
| 3.8 THE COMPANY, ITS DIRECTORS, SUPERVISORS, MANAGERS, AND BUSINESSES DIRECTLY OR INDIRECTLY CONTROLLED BY THE COMPANY, SHALL AGGREGATE THEIR SHAREHOLDINGS IN THE SAME INVESTED ENTERPRISE AND CALCULATE THE COMPREHENSIVE SHAREHOLDING PERCENTAGE | 79 |
| IV. FUNDRAISING SITUATION..... | 80 |
| 4.1 CAPITAL AND SHARES..... | 80 |
| 4.2 HANDLING OF CORPORATE BONDS: NONE..... | 86 |
| 4.3 HANDLING OF PREFERRED SHARES: NONE..... | 86 |
| 4.4 HANDLING OF GLOBAL DEPOSITARY RECEIPTS: NONE..... | 86 |
| 4.5 EMPLOYEE STOCK OPTIONS HANDLING SITUATION: NONE..... | 86 |
| 4.6 HANDLING SITUATION OF RESTRICTED EMPLOYEE EQUITY GRANTS: NONE..... | 86 |
| 4.7 HANDLING OF ISSUANCE OF NEW SHARES FOR MERGERS OR ACQUISITIONS OF OTHER COMPANY'S SHARES: NONE..... | 86 |
| 4.8 EXECUTION STATUS OF CAPITAL UTILIZATION PLAN: NONE..... | 86 |
| V. OPERATIONAL OVERVIEW..... | 87 |
| 5.1 BUSINESS ACTIVITIES | 87 |
| 5.2 MARKET AND SALES OVERVIEW | 96 |
| 5.3 NUMBER OF EMPLOYEES, AVERAGE LENGTH OF SERVICE, AVERAGE AGE, AND EDUCATIONAL DISTRIBUTION RATIO OF EMPLOYEES IN THE PAST TWO FISCAL YEARS AND UP TO THE PRINTING DATE OF THE ANNUAL REPORT | 103 |
| 5.4 ENVIRONMENTAL PROTECTION EXPENDITURE..... | 104 |
| 5.5 LABOR RELATIONS..... | 104 |
| 5.6 INFORMATION SECURITY MANAGEMENT..... | 107 |
| 5.7 IMPORTANT CONTRACTS | 110 |
| VI. FINANCIAL OVERVIEW..... | 111 |
| 6.1 FIVE-YEAR CONCISE BALANCE SHEETS, INCOME STATEMENTS, AND AUDITOR'S OPINIONS BASED ON THE LATEST FIVE FISCAL YEARS | 111 |
| 6.2 FIVE-YEAR FINANCIAL ANALYSIS..... | 116 |
| 6.3 AUDIT COMMITTEE'S REPORT FOR THE MOST RECENT YEAR..... | 122 |
| 6.4 FINANCIAL STATEMENTS FOR THE MOST RECENT YEAR | 122 |
| 6.5 A PARENT COMPANY ONLY FINANCIAL STATEMENT FOR THE MOST RECENT FISCAL YEAR, CERTIFIED BY A CPA | 122 |
| 6.6 IF THE COMPANY OR ITS AFFILIATES HAVE EXPERIENCED FINANCIAL DIFFICULTIES IN THE MOST RECENT FISCAL YEAR OR DURING THE CURRENT FISCAL YEAR UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT, THE ANNUAL REPORT SHALL EXPLAIN HOW SAID DIFFICULTIES WILL AFFECT THE COMPANY'S FINANCIAL SITUATION: NONE..... | 122 |
| VII. REVIEW OF FINANCIAL CONDITIONS, FINANCIAL PERFORMANCE, AND RISK MANAGEMENT | 123 |
| 7.1 ANALYSIS OF FINANCIAL STATUS..... | 123 |
| 7.2 ANALYSIS OF FINANCIAL PERFORMANCE | 124 |
| 7.3 ANALYSIS OF CASH FLOW | 125 |
| 7.4 THE IMPACT OF MAJOR CAPITAL EXPENDITURES ON FINANCIAL OPERATIONS IN THE MOST RECENT FISCAL YEAR | 126 |
| 7.5 INVESTMENT POLICY IN THE LAST YEAR, MAIN CAUSES FOR PROFITS OR LOSSES, IMPROVEMENT PLANS AND INVESTMENT PLANS FOR THE COMING YEAR | 126 |
| 7.6 ANALYSIS OF RISK MANAGEMENT..... | 126 |
| 7.7 OTHER IMPORTANT MATTERS | 133 |

VIII. SPECIAL DISCLOSURE133

8.1 SUMMARY OF AFFILIATED COMPANIES 133

8.2 PRIVATE PLACEMENT SECURITIES HANDLING SITUATION FOR THE MOST RECENT FISCAL YEAR AND UP TO THE PRINTING DATE OF THE ANNUAL REPORT: NONE. 139

8.3 SHARES IN THE COMPANY HELD OR DISPOSED OF BY SUBSIDIARIES IN THE MOST RECENT YEARS UP TO THE PRINTING DATE OF THE ANNUAL REPORT: NONE. 139

8.4 OTHER NECESSARY SUPPLEMENTARY EXPLANATIONS: NONE. 139

IX. EVENTS THAT SIGNIFICANTLY AFFECT SHAREHOLDERS' EQUITY OR THE PRICE OF SECURITIES, AS DEFINED BY ARTICLE 36, PARAGRAPH 2, SUBPARAGRAPH 2 OF THIS LAW, FOR THE MOST RECENT FISCAL YEAR AND UP TO THE PRINTING DATE OF THE ANNUAL REPORT: NONE.....139

I. A Letter to Shareholders

Dear shareholders,

Giantplus Technology continues its operational strategy from recent years, focusing on providing differentiated product manufacturing and services. It concentrates on niche markets that fit Giantplus' production lines and business scale, adhering to a customer-centric approach and flexibly responding to customer needs to seek cooperation. Despite the slowdown in the global economic recovery and unstable political environment in 2023, Giantplus Corporation managed to maintain stable operations, sustain profitability, and uphold a good reputation in the market.

1. Operational Results, Business Layout and R&D Report, Regulatory Environment, Financial Income and Expenditure, Budget Execution:

- 1.1 In terms of financial income and expenditure, the net cash inflow from operating activities in 2023 increased by NT\$274 million compared to the previous year. The net cash outflow from investment activities in 2023 decreased by NT\$81 million compared to the previous year. The net cash outflow from financing activities in 2023 increased by NT\$675 million compared to the previous year. The consolidated year-end cash balance in 2023 was NT\$2.633 billion, which, given Giantplus' current operating scale, indicates a relatively abundant financial situation.
- 1.2 In terms of profitability, the total annual revenue in 2023 was NT\$9.042 billion, a decrease of 13.18% compared to 2022. The total consolidated annual gross profit was NT\$756 million, with a gross profit margin of 8.36%. The operating net profit was NT\$109 million, and the total consolidated net profit for the year was NT\$236 million, resulting in an earnings per share of NT\$0.53 and a book value per share of NT\$17.93.
- 1.3 Regarding budget execution, Giantplus Technology did not publicly disclose financial forecast information for 2023, so there is no need to disclose budget execution details.
- 1.4 **Operational Results:**

In the field of industrial control applications, Giantplus expanded capacity cooperation with Japanese partners, started mass production of products with European and American charging pile manufacturers, and began production of displays for wearable products and medical applications. In the automotive application sector, Giantplus collaborated with European high-end automobile display module manufacturers, introduced circular knobs to replace traditional buttons, and witnessed increasing demand for E-mirror mass production. In the non-display application field, Giantplus collaborated with foreign startups to develop flexible backplane processes, which will be used in various new product applications and are expected to enter mass production in 2024.
- 1.5 In terms of research and development, Giantplus continues to focus on TFT-LCD display panels, launching green products that meet ESG energy-saving and carbon reduction requirements. These include outdoor displays with low-power reflective panels, ultra-low-power modules for low-frequency displays, and thin displays integrating touch functionality into the same glass. Additionally, Giantplus actively explores non-traditional liquid crystal display applications to diversify its product offerings.
- 1.6 In the regulatory environment, Giantplus Technology is committed to achieving indicators in corporate governance evaluations while pursuing commercial interests. It has established relevant management systems and policies in accordance with legal requirements and is promoting balanced development in economic interests, social welfare, and environmental protection to achieve sustainable business operations.

2. Business Plans Overview for 2024 in Response to Industry and Market Changes:

Giantplus continues to leverage the advantages of small-scale production equipment, actively seeking small orders with diverse requirements, and accelerating the promotion of high-value-added products focusing on irregular processing and VA semi-transmission. Additionally, it aims to ensure stable orders by strengthening partnerships with high-quality key customers, developing non-LCD products, and promoting panel strategic cooperation projects. Furthermore, Giantplus plans to strengthen support across departments through institutional changes to improve work efficiency and customer satisfaction. It will also review product development and quality management systems to enhance overall product standards, gain customer trust, and seek more new project collaborations to expand performance.

Chairman:

President:

Accounting Supervisor:

II. Company Profile

2.1 Date of Incorporation: December 15, 1997

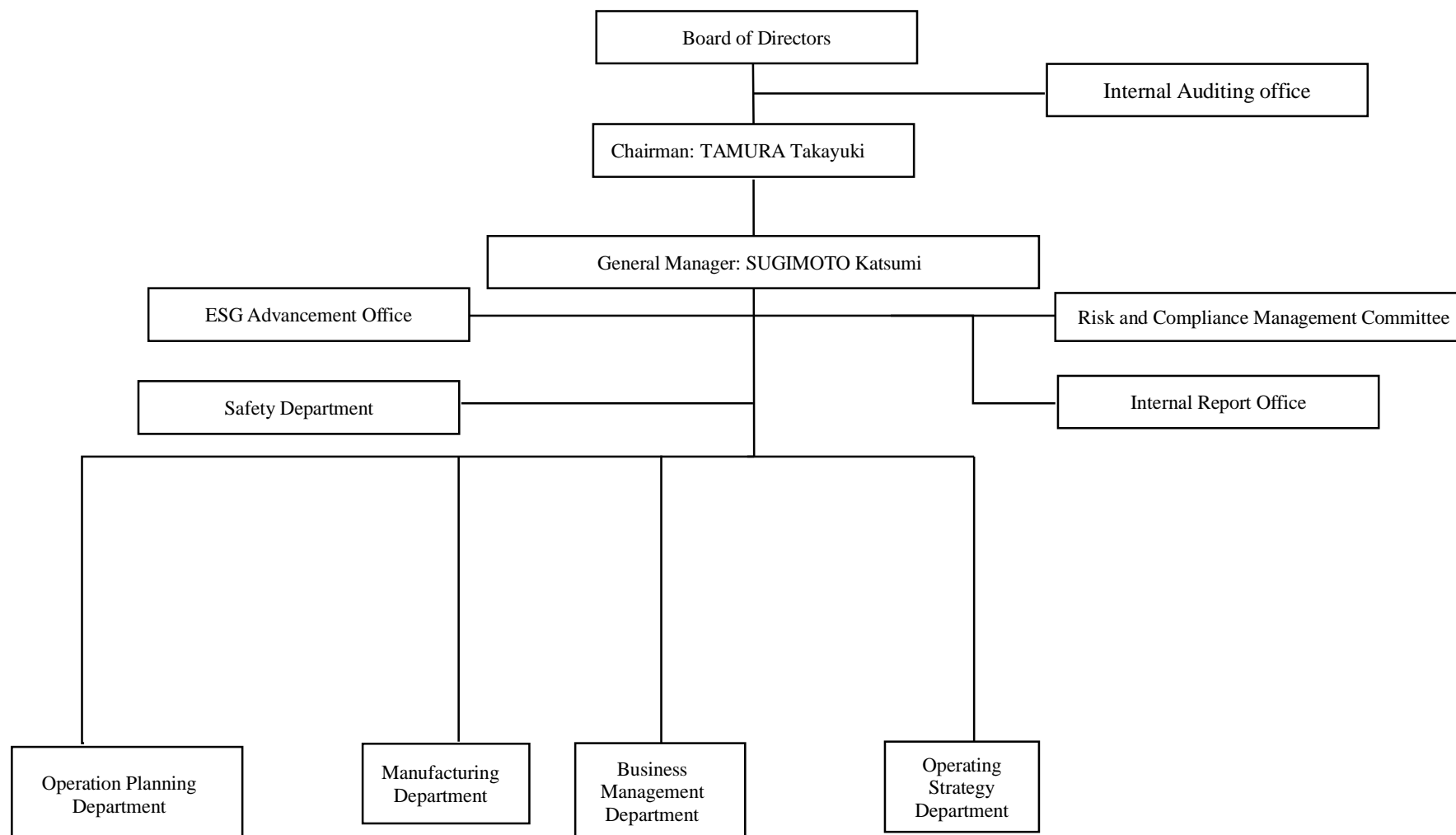
2.2 Company History

| Year | Milestones |
|---------------|--|
| March 2017 | Ortus Technology Co., Ltd. became Giantplus' largest shareholder with 53.10% or a total of 234,481,757 of Giantplus shares. (81,500,000 common shares and 152,981,757 shares via private placement) |
| March 2017 | Chunghwa Picture Tubes, Ltd. was Giantplus' representative director. Due to transferring more than one half of Giantplus' shares held by the representative at the time being elected, three representative directors, Mr. Sheng-Chang Lin, Mr. Chi-Mo Huang, and Mr. Chu-Ping Yuan shall, ipso facto, be discharged from the office of directors according to the Company Act. At the same time, the Chairman, Mr. Sheng-Chang Lin, shall, ipso facto, be discharged. |
| May 2017 | Convening a special shareholders meeting to elect four representatives of Ortus Technology Co., Ltd., ENDO JIN, MATOBA AKIMITSU, MORITA HIDEHIRO and TAMURA Takayuki as directors and elect ENDO JIN as the Chairman. |
| December 2018 | The board resolves to sell 100% shareholdings of reinvestment in China, KGP, through the subsidiary, Giantplus Holding L.L.C. |
| April 2019 | Ortus Technology Co., Ltd., the representative of corporate director, was consolidated by its parent company, TOP PAN INC., on April 1, 2019. The former was a dissolved company, and the latter was a surviving company. Pursuant to Article 27 of the Company Act, ENDO JIN, MATOBA AKIMITSU, TAMURA Takayuki, KONYA NAOHIRO were designated as directors, and ENDO JIN was elected as the Chairman at the board meeting on April 1, 2019. |
| April 2019 | The Company sold 100% shareholdings of KGP, the mainland subsidiary of the Company, in December 2018 as resolved by the Board. The registration of the share transfer was completed in April 2019. |
| April 2020 | SGO, the mainland subsidiary of the Company, was gradually scaled down due to changes in the market environment and customer and was not efficient in production. In accordance with the long-term operation plans adopted by the Group, the transfer of the production line was scheduled to be completed in the second quarter and would not lead to significant changes to the overall operation, production capacity, business and finance of the Group. |
| June 2020 | KGO, through the resolution of the Board of Directors, sold the land use rights and buildings in June 2020 for a total transaction amount of RMB 88,000,000. |
| January 2021 | SGO, the mainland subsidiary of the Company, the registration of the cancellation has been completed. |
| October 2023 | The Company's corporate director, TOPPAN INC., was renamed TOPPAN Holdings Inc. |

III. Corporate Governance Report

3.1 Organization System

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

| Department | Functions |
|--------------------------------|--|
| President Office | Strategic planning, business planning authorization and supervision |
| Internal Auditing Office | To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement |
| Safety Department | <ul style="list-style-type: none"> ● Responsible for environmental inspection, reporting, restrictions and other affairs ● Supervision and promotion of labor safety and health management |
| Operation Planning Department | <ul style="list-style-type: none"> ● Planning, execution, and coordination of mid- and long-term strategies ● Supervision and analysis of the operation plan goals/forecast/actual performance ● Coordinating the financial operation system of the Company, providing financial accounting information, executing various investment projects, risk avoidance, and financial, accounting, and equity matters. ● Responsible for the management of intellectual property rights such as company patent application and maintenance, authorization, negotiations, etc.; reviewing company contracts, legal consultation, and handling of litigation issues. |
| Manufacturing Department | <ul style="list-style-type: none"> ● To integrate technology and product development, and introduce new technologies and new products. ● To produce and manufacture products related to TFT-LCD panels and modules. ● To improve the yield rate of products related to TFT-LCD panels and modules. |
| Business Management Department | <ul style="list-style-type: none"> ● Planning and execution of quality control systems, and planning of outsourcing manufacturer's quality control system and product quality audit. ● Planning, integration and maintenance of various information systems, and promotion of information security. ● Planning and management of document management system and process. ● Planning, management and execution of human resources and general administrative matters. |

| Department | Functions |
|-------------------------------|--|
| Operating Strategy Department | <ul style="list-style-type: none"> ● Responsible for the Company's overall procurement strategy, key component strategy planning and layout, product introduction, kitting and cost standardization management. ● Researching and developing new technologies according to technological development and customer needs. ● Responsible for designing and producing customers' samples, and executing mass production transfer tasks. ● Responsible for technical specifications corresponding to customer product requirements. ● Responsible for market development, promotion, and customer services. |

3.2 Directors, Supervisors General Manager, Deputy General Manager, Assistant General Manager, Department Heads, And Branch Managers Information

3.2.1 Director's Profile

April 30, 2024

| Title | Nationality / Country of Origin | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Underage Children Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors who are spouses or within two degrees of kinship | | | Remarks |
|----------|---------------------------------------|---------------------------|----------------------------|-----------------|-----------------|-----------------------|------------------------------|--------|-------------------------|--------|--|---|---|---|--|--|--|------|----------|---------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chairman | Japan | TOPPAN HOLDING Inc. | Male 51-60 years old | 06/23/2022 | 3 | 05/15/2017 | 234,481,757 | 53.10% | 234,481,757 | 53.10% | - | - | - | - | Bachelor of Engineering, Production Planning and System Management, Kogakuin University/ Head of Ortus Business, TOPPAN INC., Electronics Division | 1. GIANPLUS' Chairman 2. Head of Ortus Business, TOPPAN INC., Electronics Division 3. GIANTPLUS (SAMOA) HOLDING CO., LTD. Legal Representative 4. GIANTPLUS HOLDING L.L.C. Legal Representative | NA | NA | NA | |
| | | TAMURA Takayuki | | | | | - | - | - | - | - | - | - | - | | | | | | |

| Title | Nationality / Country of Origin | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Underage Children Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors who are spouses or within two degrees of kinship | | | Remarks |
|----------|---------------------------------------|---------------------------|----------------------------|-----------------|-----------------|-----------------------|------------------------------|--------|-------------------------|--------|--|---|---|---|--|---|--|------|----------|---------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Director | Japan | TOPPAN HOLDING Inc. | Male 61-70 years old | 06/23/2022 | 3 | 07/01/2020 | 234,481,757 | 53.10% | 234,481,757 | 53.10% | - | - | - | - | Bachelor of Engineering, Department of Electric and Electrical Engineering, Yamagata University/ General Manager of Business Strategy Department, TOPPAN INC., Electronics Division | 1. GIANPLUS' Director and Special Assistant to the Chairman 2. General Manager of Business Strategy Department, TOPPAN INC., Electronics Division | NA | NA | NA | |
| | | NUMAZAWA Sadahiro | | | | | - | - | - | - | - | - | - | - | | | | | | |
| Director | Japan | TOPPAN HOLDING Inc. | Male 61-70 years old | 01/01/2024 | 1 | 01/01/2024 | 234,481,757 | 53.10% | 234,481,757 | 53.10% | - | - | - | - | Department of Environmental Safety, Fukui University of Technology, Japan / TOPPAN INC. Senior General Manager | 1. GIANPLUS' Director and President 2. TOPPAN INC. Senior General Manager | NA | NA | NA | |
| | | SUGIMOTO Katsumi | | | | | - | - | - | - | - | - | - | - | | | | | | |

April 30, 2024

| Title | Nationality / Country of Origin | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Underage Children Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors who are spouses or within two degrees of kinship | | | Remarks |
|----------|---------------------------------------|---------------------------|-----------------------------|-----------------|-----------------|-----------------------|------------------------------|--------|-------------------------|--------|--|---|---|---|--|--|--|------|----------|---------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Director | Japan | TOPPAN HOLDING Inc. | Female 41-50 yearsold | 04/01/2023 | 2 | 04/01/2023 | 234,481,757 | 53.10% | 234,481,757 | 53.10% | - | - | - | - | Department of Political Science, School of Political Science and Economics, Waseda University/ TOPPAN INC. Electronics Business Unit Head of Accounting | 1. GIANPLUS' Director 2. General Manager of Accounting Department, TOPPAN INC. Electronics Division 3. Auditor, TOPPAN ELECTRONICS PRODUCTS CO., LTD. 4. Director, ORTUSTECH (MALAYSIA) SDN. BHD. | NA | NA | NA | |
| | | TOMOBE Minako | | | | | - | - | - | - | - | - | - | - | | | | | | |

April 30, 2024

| Title | Nationality / Country of Origin | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Underage Children Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors who are spouses or within two degrees of kinship | | | Remarks |
|-------------------------|---------------------------------------|-----------------|------------------------------|-----------------|-----------------|-----------------------|------------------------------|---|-------------------------|---|--|---|---|---|---|--|--|------|----------|---------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Independent Director | Taiwan | JAU-SHIN HON | Male 61-70 years old | 06/23/2022 | 3 | 06/24/2013 | - | - | - | - | - | - | - | - | Ph.D. of Management Science, National Chiao Tung University/ Associate Professor, Department of Engineering Economics, Tunghai University | 1. GIANPLUS' Independent Director 2. Associate Professor, Department of Engineering Economics, Tunghai University 3. Independent Director, World Known MFG (Cayman) Limited. | NA | NA | NA | |
| Independent Director | Taiwan | JIA-LI SHIH | Female 51-60 years old | 06/23/2022 | 3 | 06/23/2022 | - | - | - | - | - | - | - | - | University of Wisconsin- Madison Law School Doctor of Juridical Science (SJD)/ Associate Professor, Department of Law, Tunghai University | 1. GIANPLUS' Independent Director 2. Associate Professor, Department of Law, Tunghai University 3. Legal Advisor of Bruce Stone LLP | NA | NA | NA | |

April 30, 2024

| Title | Nationality / Country of Origin | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Underage Children Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors who are spouses or within two degrees of kinship | | | Remarks |
|-------------------------|---------------------------------------|-------------|----------------------------|-----------------|-----------------|-----------------------|------------------------------|---|-------------------------|---|--|---|---|---|--|--|--|------|----------|---------|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Independent Director | Taiwan | Po-Tsun Liu | Male 51-60 years old | 30/6/2023 | 2 | 26/06/2018 | - | - | - | - | - | - | - | - | Director of the Department of Photonics, National Chiao Tung University / Chair Professor of the Department of Photonics, National Yang Ming Chiao Tung University | 1. GIANPLUS' Independent Director 2. Chair Professor of the Department of Photonics, National Yang Ming Chiao Tung University 3. Director of the Display Technology Joint Research Center, National Yang Ming Chiao Tung University | NA | NA | NA | |

Major shareholders of the institutional shareholders

| | | April 30, 2024 |
|------------------------------------|---------------------------|--|
| Name of Institutional Shareholders | Major Shareholders (Note) | |
| TOPPAN HOLDINGS Inc. | 1. | The Master Trust Bank of Japan, Ltd. (Trust Account) 14.73% |
| | 2. | Custody Bank of Japan, Ltd. (Trust Account) 4.81% |
| | 3. | Nippon Life Insurance Company 4.64% |
| | 4. | Toyo Ink SC Holdings Co., Ltd. 2.94% |
| | 5. | The Dai-ichi Life Insurance Company, Limited 2.55% |
| | 6. | Kodansha Ltd. 2.08% |
| | 7. | Employees' Stock Club 1.97% |
| | 8. | Toppan Printing Supplier Stock Club 1.81% |
| | 9. | ステート ストリート バンク ウェスト クライアント トリーティー 505234 1.48% |
| | 10. | エスエスピーティーシー クライアン ト オムニバス アカウント 1.23% |

Note: The name and shareholding of top ten shareholders of the institutional shareholders

Major shareholders of the Company's major institutional shareholders

April 30, 2024

| Name of Institutional Shareholders | Major Shareholders (Note) | | |
|--|---------------------------|---|---------|
| The Master Trust Bank of Japan, Ltd. | 1. | Mitsubishi UFJ Trust & Banking Corporation | 46.50% |
| | 2. | Nippon Life Insurance Company | 33.50% |
| | 3. | Meiji Yasuda Life Insurance Company | 10.00% |
| | 4. | The Norinchukin Trust & Banking Co., Ltd. | 10.00% |
| Custody Bank of Japan, Ltd. (Trust Account) | 1. | Sumitomo Mitsui Trust Holdings, Inc. | 33.30% |
| | 2. | Mizuho Financial Group, Inc. | 27.00% |
| | 3. | Resona Bank, Limited | 16.70% |
| | 4. | The Dai-ichi Life Insurance Company, Limited | 8.00% |
| | 5. | Asahi Mutual Life Insurance Company | 5.00% |
| | 6. | Meiji Yasuda Life Insurance Company | 4.50% |
| | 7. | Japan Post Insurance Co., Ltd. | 3.50% |
| | 8. | Fukoku Mutual Life Insurance Company | 2.00% |
| Toyo Ink SC Holdings Co., Ltd. | 1. | TOPPAN Holdings Inc. | 17.92% |
| | 2. | The Master Trust Bank of Japan, Ltd. (Trust Account) | 9.72% |
| | 3. | The Master Trust Bank of Japan, Ltd. (Trust Account) | 5.15% |
| | 4. | Nippon Shokubai Co., Ltd. | 2.85% |
| | 5. | Employee's Stock Club | 2.78% |
| | 6. | Client stock ownership | 1.58% |
| | 7. | STATE STREET BANK AND TRUST COMPANY 505001 | 1.37% |
| | 8. | MUFG Bank, Ltd. | 1.29% |
| | 9. | Mizuho Bank, Ltd. | 1.29% |
| | 10. | STATE STREET BANK AND TRUST COMPANY 505103 | 1.20% |
| The Dai-ichi Life Insurance Company, Limited | 1. | Dai-ichi Life Holdings | 100.00% |
| ステート ストリート バンク ウェスト クライアント トリーティー 505234 | 1. | ステート ストリート コーポレーション | 100.00% |

Note: The name and shareholding of the top ten shareholders of the institutional shareholders.

Disclosure of professional qualifications of directors and independence of independent directors

April 30, 2024

| Criteria Name | Professional Qualifications and Experience (Note 1) | Independent situation (Note 2) | Number of independent directors of other public companies |
|-----------------------------------|--|--------------------------------|---|
| TOPPAN INC.: TAMURA Takayuki | Have working experience related to company business. Director of Business Strategy, ORTUS TECHNOLOGY CO.; Vice General Manager and General Manager of Business Strategy, ORTUS Division, Electronics Business Unit, TOPPAN; Head of Ortus Business, TOPPAN INC., Electronics Division; Chairman of the Board of Directors of GIANPLUS Not covered by Article 30 of the Company Act. | | 0 |
| TOPPAN INC.: NUMAZAWA Sadahiro | Have working experience related to company business. Executive Director, Ltd., Head of Mobile Display Business Division, Japan Display Co.,; Director, Manufacturing Department, Executive Director, Japan Display Co.; COO, Representative Director of Japan Display Co.; General Manager of Business Strategy Department, TOPAN INC., Electronics Division; Director and Special Assistant to the Chairman of the Board of Directors of GIANPLUS Not covered by Article 30 of the Company Act. | | 0 |
| TOPPAN INC.: SUGIMOTO Katsumi | Have working experience related to company business. Former positions Director of Product Technology Department; Director of Automotive Display Application Technology Department, Limited Liability Company; TOPPAN Printing Co., Ltd., Electronic Business Division Business Division Consultant; TOPPAN INC. Senior General Manager Director and General Manager of GIANPLUS Technology Not covered by Article 30 of the Company Act. | | 0 |
| TOPPAN INC.: TOMOBE Minako | Have working experience related to accounting and company business. Head of Accounting Department and Financial Planning Department, Finance Division, Toppan Printing Co. Head of Accounting, Electronics Business Unit, Toppan Printing Co. Not covered by Article 30 of the Company Act. | | 0 |

| Criteria Name | Professional Qualifications and Experience (Note 1) | Independent situation (Note 2) | Number of independent directors of other public companies |
|------------------|--|---|---|
| JAU-SHIN HON | <p>A lecturer or above from a public or private college or university in a relevant discipline required for the company's business.</p> <p>Have working experience related to company business.</p> <p>Associate Professor of Industrial Engineering, Tunghai University,</p> <p>Associate Professor of Industrial Engineering, Tunghai University,</p> <p>Director of Chinese Society for Management of Technology in Taichung,</p> <p>Committee member of Chinese Institute of Industrial Engineers.</p> <p>Not covered by Article 30 of the Company Act.</p> | <p>An independent director, and meets the circumstances of independence,</p> <p>Including but not limited to the person, spouse, relatives within the second degree who do not serve as directors, supervisors or employees of the company or its related companies; do not hold shares in the company; do not serve as directors or supervisors or as employees of companies that have a specific relationship with the company; have not provided the company or its affiliates with business, legal, financial, accounting and other services in the past 2 years.</p> | 1 |
| JIA-LI SHIH | <p>A lecturer or above from a public or private college or university in a relevant discipline required for the company's business.</p> <p>Have working experience related to company business.</p> <p>Researcher of Consumers International / Trans-Atlantic Consumer Dialogue.</p> <p>Attorney at the Phoenix office of Schmeiser, Olsen & Watts LLP, USA</p> <p>Visiting teacher of the Law Department and Law Research Institute of Fudan University Law School.</p> <p>Legal Advisor of Bruce Stone LLP.</p> <p>Associate Professor, Department of Law, Tunghai University.</p> <p>Not covered by Article 30 of the Company Act.</p> | | 0 |
| Po-Tsun Liu | <p>Possessing a position equivalent to lecturer or higher in public or private universities or colleges in relevant fields required for the company's business.</p> <p>Having the necessary work experience required for the company's business.</p> <p>Previously served as Visiting Professor at the Electrical Engineering Department of Stanford University, Director of the Institute of Display Technology at National Chiao Tung University, Department Head of the Department of Photonics at National Chiao Tung University, and Chair Professor of the Department of Photonics, National Yang Ming Chiao Tung University.</p> <p>Not covered by Article 30 of the Company Act.</p> | | 0 |

| Criteria Name | Professional Qualifications and Experience (Note 1) | Independent situation (Note 2) | Number of independent directors of other public companies |
|---|---|--------------------------------|---|
| <p>1. Diversity and independence of the Board of Director</p> <p>(1) Diversity of the Board of Directors: The Company has established a “Corporate Governance Best Practice Principle”, and a diversity policy is formulated in Article 20 of Chapter 3: “Strengthening the Functions of the Board of Directors”. The Company’s board members are nominated and selected via a candidate nomination system in accordance with the Company’s Articles of Incorporation. In addition to evaluating each candidate’s academic qualifications, the Company will consider the Board of Directors’ overall competency to ensure that the members of the Board of Directors are diverse and independent.</p> <p>(2) The Company’s directors have diverse expertise in various fields, which is beneficial to the Company’s development and operation. The tenth Board of Directors comprises 7 directors, including 4 directors and 3 independent directors, including 2 female directors, 1 director under the age of 50, 3 directors between the ages of 51-60, and 3 directors between the ages of 61-70.</p> <p>(3) Independence of the Board of Directors: The Company's Board of Directors has three independent directors, accounting for approximately 43% of all directors. The provisions on the disqualification of directors' interests govern the Board of Directors' meetings, which state that those who have an interest in the resolutions of the meetings or in the legal entities they represent are not allowed to participate in the discussion or vote and are disqualified. The directors are also self-disciplined and do not support each other, taking into account the ethical standard of interest recusal to effectively protect the interests of the Company. Directors are not related to each other as spouses or relatives within the second degree of consanguinity.</p> <p>Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors and supervisors shall be described, and if they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have not been subject to Article 30 of the Company Act.</p> <p>Note 2: Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the company or its affiliated companies; the number and proportion of the company's shares held by relatives (or in the name of others); whether they serve as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.</p> | | | |

3.2.2 Management Team

April 30, 2024

| Title | Nationality / Country of Origin | Name | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|--------------------------------|---------------------------------------|---------------------|-------------------|--------------|---|--------------------------------|---|---|---|--|--|---|------|----------|---------|
| | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| President | Japan | SUGIMOTO Katsumi | 01/01/2024 | - | - | - | - | - | - | Department of Environmental Safety, Fukui University of Technology/GIANPLUS's President | NA | NA | NA | NA | |
| Assistant Vice President | R.O.C | YI-TSAI HSU | 6/16/2021 | - | - | - | - | - | - | Master of Computer Science & Information Engineering in National Central University/Assistant Vice President of Manufacturing Department, Giantplus Technology Co., Ltd. | Legal representative and Chairman of KGO | NA | NA | NA | |
| Assistant Vice President | R.O.C. | YI-YAN LIAO | 05/01/2018 | - | - | - | - | - | - | Bachelor of International Trade, Chinese Culture University/ Assistant Vice President of Operation Planning Department, Giantplus Technology Co., Ltd. | Legal representative and supervisor of KGO | NA | NA | NA | |

April 30, 2024

| Title | Nationality / Country of Origin | Name | Date Effective | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks |
|--|---------------------------------------|----------------|-------------------|--------------|---|--------------------------------|---|---|---|--|--------------------------------|---|------|----------|---------|
| | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Assistant Vice President | R.O.C. | MIN-RONG LI | 04/01/2024 | - | - | - | - | - | - | Master's degree in Philology and Literature, Kyoto University; Assistant Vice President of Operating Strategy Department, Giantplus Technology Co., Ltd. | NA | NA | NA | NA | |
| Financial and Accounting supervisor Head of Corporate Governance | R.O.C. | DE-QI LIU | 07/1/2020 | - | - | - | - | - | - | Master of Accounting, National Taiwan University/ Director, Finance & Accounting Division, Giantplus Technology Co., Ltd. | Legal representative of KGO | NA | NA | NA | |

3.2.3 The Chairperson of The Board of Directors and The President or Person of An Equivalent Post (The Highest-Level Manager) of A Company are the same person, spouses, or relatives within the first degree of kinship: NA

3.2.4 Remuneration of Directors, Supervisors, President, and Vice President

Remuneration of Directors

Unit: NT\$ thousands, 1,000 shares

| Title | Name (Note 1) | Remuneration | | | | | | | | Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10) | | Relevant Remuneration Received by Directors Who are Also Employees | | | | | | | | Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10) | | Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 11) |
|----------|--|-----------------------------------|---|-------------------|--|---------------------------------------|---|----------------------------|---|--|--|--|--|-------------------|---|---|---|-------------|--|--|-------|---|
| | | Base Compensation (A) (Note 2) | | Severance Pay (B) | | Bonus to Directors (C) (Note 3) | | Allowances (D) (Note 4) | | | | Salary, Bonuses, and Allowances (E) (Note 5) | | Severance Pay (F) | | Profit Sharing- Employee Bonus (G) (Note 6) | | | | | | |
| | | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | | All Companies in the Consolidated Financial Statements (Note 7) | | The Company | All Companies in the Consolidated Financial Statements (Note 7) | | | |
| Chairman | TOPPAN Holdings Inc. Representative: TAMURA Takayuki | - | - | - | - | 1,523 | 1,523 | - | - | 0.64% | 0.64% | 4,972 | 4,972 | - | - | - | - | - | - | 2.75% | 2.75% | None |
| Director | TOPPAN Holdings Inc. Representative: NAKAMURA Koji (Note 12) | - | - | - | - | | | | | | | | | | | | | | | | | |
| Director | TOPPAN Holdings Inc. Representative: NUMAZAWA Sadahiro | - | - | - | - | | | | | | | | | | | | | | | | | |
| Director | TOPPAN Holdings Inc. Representative: SAKAI Hiroyuki (Note 13) | - | - | - | - | | | | | | | | | | | | | | | | | |
| Director | TOPPAN Holdings Inc. Representative: TOMOBE Minako (Note 14) | - | - | - | - | | | | | | | | | | | | | | | | | |

| Title | Name (Note 1) | Remuneration | | | | | | | | Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10) | | Relevant Remuneration Received by Directors Who are Also Employees | | | | | | | | Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10) | | Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 11) |
|-------------------------|--------------------------|-----------------------------------|---|-------------------|--|---------------------------------------|---|----------------------------|---|--|--|--|--|-------------------|-------|---|-------|-------------|--|--|------|---|
| | | Base Compensation (A) (Note 2) | | Severance Pay (B) | | Bonus to Directors (C) (Note 3) | | Allowances (D) (Note 4) | | | | Salary, Bonuses, and Allowances (E) (Note 5) | | Severance Pay (F) | | Profit Sharing- Employee Bonus (G) (Note 6) | | | | | | |
| | | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | All Companies in the Consolidated Financial Statements (Note 7) | The Company | | All Companies in the Consolidated Financial Statements (Note 7) | | The Company | All Companies in the Consolidated Financial Statements (Note 7) | | | |
| | | | | | | | | | | | | | | Cash | Stock | Cash | Stock | | | | | |
| Independent Director | JAU-SHIN HON | 750 | 750 | - | - | 1,246 | 1,246 | 195 | 195 | 0.93% | 0.93% | - | - | - | - | - | - | - | 0.93% | 0.93% | None | |
| Independent Director | JIA-LI SHIH | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | PO-TSUN LIU (Note 15) | | | | | | | | | | | | | | | | | | | | | |

| Remunerations of Directors | Name of Director | | | |
|--|--|--|---|--|
| | Total of A+B+C+D | | Total of A+B+C+D+E+F+G | |
| | The Company (Note 8) | All companies in the financial statements (Note 9)H | The Company (Note 8) | All companies in the financial statements (Note 9)I |
| Under NT\$ 1,000,000 | TAMURA Takayuki, NAKAMURA Koji , NUMAZAWA Sadahiro , SAKAI Hiroyuki, TOMOBE Minako, JAU-SHIN HON, PO-TSUN LIU, JIA-LI SHIH | TAMURA Takayuki, NAKAMURA Koji , NUMAZAWA Sadahiro , SAKAI Hiroyuki, TOMOBE Minako, JAU-SHIN HON, PO-TSUN LIU, JIA-LI SHIH | TAMURA Takayuki, NUMAZAWA Sadahiro , SAKAI Hiroyuki, TOMOBE Minako, JAU-SHIN HON, PO-TSUN LIU, JIA-LI SHIH | TAMURA Takayuki, NUMAZAWA Sadahiro , SAKAI Hiroyuki, TOMOBE Minako, JAU-SHIN HON, PO-TSUN LIU, JIA-LI SHIH |
| NT\$ 1,000,000 (included) ~ NT\$ 2,000,000 (excluded) | | | | |
| NT\$ 2,000,000 (included) ~ NT\$ 3,500,000 (excluded) | | | | |
| NT\$ 3,500,000 (included) ~ NT\$ 5,000,000 (excluded) | | | | |
| NT\$ 5,000,000 (included) ~ NT\$10,000,000(excluded) | | | NAKAMURA Koji | NAKAMURA Koji |
| NT\$ 10,000,000 (included) ~ NT\$ 15,000,000 (excluded) | | | | |
| NT\$ 15,000,000 (included) ~ NT\$ 30,000,000 (excluded) | | | | |
| NT\$ 30,000,000 (included) ~ NT\$ 50,000,000 (excluded) | | | | |
| NT\$ 50,000,000 (included) ~ NT\$ 100,000,000 (excluded) | | | | |
| Over NT\$ 100,000,000 | | | | |
| Total | | | | |
| Note 1: The names of directors should be listed separately (for institutional directors, both the institution and the representative are required). Directors and independent directors should be listed separately, and the amount of each payment is disclosed in a summary. A director who is concurrently a president or a vice president shall be included in this form and in the following form 3-1, or in form 3-2-1 and form 3-2-2. | | | | |

| Remunerations of Directors | Name of Director | | | |
|--|-------------------------|---|-------------------------|---|
| | Total of A+B+C+D | | Total of A+B+C+D+E+F+G | |
| | The Company (Note 8) | All companies in the financial statements (Note 9)H | The Company (Note 8) | All companies in the financial statements (Note 9)I |
| <p>Note 2: Refers to remuneration of directors in the most recent year (including directors' salary, duty allowance, severance pay, various bonuses, incentives, etc.)</p> <p>Note 3: Refers to the amount of director's remuneration distributed by the board of directors in the most recent year.</p> <p>Note 4: Refers to director's related expenses from professional practice in the most recent year, including travel expenditures, special disbursement, various allowances, accommodation, company cars, in-kind supplies, etc. If residences, cars (or other means of transportation) or personal expenses are provided, information about the assets (including the nature, cost, actual or fair market values of the rent, gasoline expenses and other perks) must be disclosed. Compensation paid to personal drivers must be noted, when applicable, but not included in the remuneration received.</p> <p>Note 5: Refers to the collection including salary, a duty allowance, severance pay, various bonuses, travel expenditures, special disbursement, various allowances, accommodation, company car and in-kind supplies, etc. for persons who are concurrently directors and employees (including the concurrent president, vice president, other managers and employees). If residences, cars (or other means of transportation) or personal expenses are provided, information about the assets (including the nature, cost, actual or fair market values of the rent, gasoline expenses and other perks) must be disclosed. Compensation paid to personal drivers must be noted, when applicable, but not included in the remuneration received. Salary expenses including acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription recognized in accordance with IFRS 2 "Share-based Payment" shall all be included.</p> <p>Note 6: Refers to employee compensation (including stocks and cash) for directors who are concurrently employees (including the president, vice presidents, other managers and employees). The amount of compensation received as resolved by the board of directors in the most recent year should be disclosed. If it is not possible to estimate, the estimated amount of this year will be calculated based on the proportion of the actual distribution amount last year, and Attachment Form 1-3 shall be filled in.</p> <p>Note 7: All of the remuneration of all the companies in the consolidated financial statements (including the Company) paid to the director of the company should be included.</p> <p>Note 8: The total remuneration the Company pays to each director should be disclosed along with the names of the directors in the designated bracket.</p> <p>Note 9: The total remuneration of each director of the company paid by all companies in the consolidated report should be disclosed, and disclose the name of the directors in the designated bracket.</p> | | | | |

| Remunerations of Directors | Name of Director | | | |
|--|-------------------------|---|-------------------------|---|
| | Total of A+B+C+D | | Total of A+B+C+D+E+F+G | |
| | The Company (Note 8) | All companies in the financial statements (Note 9)H | The Company (Note 8) | All companies in the financial statements (Note 9)I |
| <p>Note 10: After-tax net income refers to the net profit after tax in the most recent year; if the international financial reporting standard has been adopted, the after-tax net income is the net profit after tax of standalone or individual financial report in the most recent year.</p> <p>Note 11:</p> <ol style="list-style-type: none"> This column should clearly fill in the amount of remuneration paid to directors from an invested entity other than a subsidiary or from the parent company (fill in “None” if there’s no such remuneration paid). If a director of a company receives remuneration from an invested entity other than a subsidiary or from the parent company, the remuneration of the director paid by the invested entity other than a subsidiary or by the parent company shall be added to column I of the remuneration range table, and change the name of the column to “The parent company and all investment business”. Remuneration refers to the remuneration, wage, employee profit sharing, and allowances paid by the invested entity other than a subsidiary or from the parent company to directors who are also their directors, supervisors, or managers. <p>Note 12: NAKAMURA Koji resigned as director on January 1, 2024.</p> <p>Note 13: SAKAI Hiroyuki resigned as director on April 1, 2023.</p> <p>Note 14: Director, TOMOBE Minako, was onboard on April 1, 2023.</p> <p>Note 15: Independent director, PO-TSUN LIU, was inaugurated on June 30, 2023.</p> <p>* The remuneration disclosed in this form is different from that required by the income tax law. Therefore, the purpose of this form is for information disclosure and is not intended for taxation purposes.</p> | | | | |

Supervisor's remuneration: Not applicable.

Remuneration of the President and Vice President

| Unit: NT\$ thousands | | | | | | | | | | | | | | |
|------------------------|-------------------------------|-----------------------|---|-------------------|---|--|---|--|-------|---|-------|--|--|---|
| Title | Name | Salary(A) (Note 2) | | Severance Pay (B) | | Bonuses and Allowances (C) (Note 3) | | Profit Sharing-Employee Bonus (D) (Note 4) | | | | Ratio of total Compensation (A+B+C+D) to Net Income % (Note 8) | | Compensation paid to the President and Vice President from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 9) |
| | | The Company | All Companies in the Consolidated Financial Statements (Note 5) | The Company | All Companies in the Consolidated Financial Statements (Note 5) | The Company | All Companies in the Consolidated Financial Statements (Note 5) | The Company | | All Companies in the Consolidated Financial Statements (Note 5) | | The Company | All Companies in the Consolidated Financial Statements | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | |
| President | NAKAMURA Koji (Note 10) | 26,202 | 26,841 | 468 | 468 | 8,647 | 8,824 | 113 | - | 113 | - | 15.00% | 15.35% | None |
| Senior Vice President | JIA-CHIUAN PU (Note 11) | | | | | | | | | | | | | |
| Senior Vice President | SUGIMOTO Katsumi (Note 12) | | | | | | | | | | | | | |
| Vice President | MU-SHENG LU (Note 13) | | | | | | | | | | | | | |
| Vice President | QING-HUA WU (Note 14) | | | | | | | | | | | | | |
| Vice President | YAMAMOTO Kozo (Note 15) | | | | | | | | | | | | | |
| Vice President | YI-TSAI HSU (Note 16) | | | | | | | | | | | | | |
| Vice President | KAMIO Tomomi (Note 17) | | | | | | | | | | | | | |
| General Manager of KGO | CHENG-KUANG CHAN | | | | | | | | | | | | | |

| Remunerations of President and Vice President | Name of President and Vice President | |
|--|--|--|
| | The Company (Note 6) | All companies in the financial statements (Note 7) E |
| Under NT\$ 1,000,000 | | |
| NT\$ 1,000,000 (included) ~ NT\$ 2,000,000 (excluded) | KAMIO Tomomi | KAMIO Tomomi |
| NT\$ 2,000,000 (included) ~ NT\$ 3,500,000 (excluded) | QING-HUA WU, YI-TSAI HSU, CHENG-KUANG CHAN | QING-HUA WU, YI-TSAI HSU, CHENG-KUANG CHAN |
| NT\$ 3,500,000 (included) ~ NT\$ 5,000,000 (excluded) | NAKAMURA Koji, JIA-CHIUAN PU, SUGIMOTO Katsumi, MU-SHENG LU, YAMAMOTO Kozo | NAKAMURA Koji, JIA-CHIUAN PU, SUGIMOTO Katsumi, MU-SHENG LU, YAMAMOTO Kozo |
| NT\$ 5,000,000 (included) ~ NT\$ 10,000,000 (excluded) | | |
| NT\$ 10,000,000 (included) ~ NT\$ 15,000,000 (excluded) | | |
| NT\$ 15,000,000 (included) ~ NT\$ 30,000,000 (excluded) | | |
| NT\$ 30,000,000 (included) ~ NT\$ 50,000,000 (excluded) | | |
| NT\$ 50,000,000 (included) ~ NT\$ 100,000,000 (excluded) | | |
| Over NT\$ 100,000,000 | | |
| Total | | |

Note 1: The names of the president and vice presidents should be listed separately, and the amounts shall be disclosed in summary. If the director is also the president or vice president, this form and the above form 1-1, or form 1-2-1 and form 1-2-2 shall also be filled in.

Note 2: Fill in the salary, allowance, and severance pay of the president and vice president in the most recent year.

Note 3: Fill in the president's and vice president's various bonuses, incentives, travel expenditures, special disbursement, various allowances, accommodation, company car and in-kind supplies and other remuneration in the most recent year. If residences, cars, other transportations or personal expenses are provided, information about the assets (including the nature, cost, actual or fair market values of the rent, gasoline expenses and other perks) must be disclosed. Compensation paid to personal drivers must be noted, when applicable, but not included in the remuneration received. Salary expenses, including the acquisition of employee stock warrants, new restricted employee shares, and participation in capital increases by cash subscription recognized in accordance with IFRS 2 "Share-based Payment" shall all be included.

Note 4: Fill in the amount of compensation (including stocks and cash) for the president and vice president as resolved at the board meeting in the most recent year. If it is not possible to estimate, the proposed distribution amount will be calculated proportionately according to last year's actual distribution amount, and Attachment Form 1-3 shall also be filled in.

Note 5: All of the remuneration of all the companies in the consolidated financial statements (including the Company) paid to the president and vice president of the Company should be included.

Note 6: The total remuneration the Company pays to each president and vice president and the names of the president and vice president should be disclosed in the designated bracket.

Note 7: Disclosing the total amount of remuneration paid to each general president and vice president by all companies (including the Company) in the consolidated report and the names of the general manager and deputy general manager shall be disclosed in the designated bracket.

Note 8: After-tax net income refers to the net profit after tax of standalone or individual financial report in the most recent year.

Note 9:

- a. This column should clearly fill in the amount of remuneration the Company's president and vice president receive from an invested entity other than a subsidiary or from the parent company (fill in "None" if there's no such remuneration paid).
- b. If the president and vice president of the Company receive remuneration from an invested entity other than a subsidiary or from the parent company, the remuneration of the president and vice president of the Company paid by the invested entity other than a subsidiary or by the parent company shall be added to Column E of the remuneration range table and change the name of the column to "The parent company and all reinvested business".
- c. Remuneration refers to the remuneration (including the remuneration of employees, directors and supervisors) and expenses from professional practice the Company's president and vice president receive, who are the directors, supervisors or managers of an investment entity other than a subsidiary or the parent company.

Note 10: NAKAMURA Koji was onboard as the special assistant to the president after resigning as president in January 2024, and resigned in January 2024.

Note 11: JIA-CHIUAN PU resigned as senior vice president in March 2024.

Note 12: The Senior Vice President, SUGIMOTO Katsumi, was onboard as the president in January 2024.

Note 13: The Vice President, MU-SHENG LU, was removed in April 2024.

Note 14: The Vice President, QING-HUA WU, resigned in April 2023.

Note 15: The Vice President, YAMAMOTO Kozo, resigned in March 2024.

Note 16: The Vice President, YI-TSAI HSU, was removed in April 2024.

Note 17: The Vice President, KAMIO Tomomi, resigned in March 2023.

* The content of the remuneration disclosed in this form is different from that required by the income tax law. Therefore, the purpose of this form is for information disclosure and

Names of managerial officers who received employees' bonuses in the preceding year and the distribution: None

Unit: NT\$ thousands

| | Title | Name | Stock | Cash | Total | Total to net income after tax (%) |
|----------|--|------------------------------|-------|------|-------|-------------------------------------|
| Managers | President | NAKAMURA Koji (Note 1) | - | 345 | 345 | 0.15% |
| | Senior Vice President | JIA-CHIUAN PU (Note 2) | | | | |
| | Senior Vice President | SUGIMOTO Katsumi (Note 3) | | | | |
| | Vice President | MU-SHENG LU (Note 4) | | | | |
| | Vice President | YI-TSAI HSU (Note 5) | | | | |
| | Vice President | YAMAMOTO Kozo (Note 6) | | | | |
| | Assistant Vice President | JIA-XING CHEN (Note 7) | | | | |
| | Assistant Vice President | YU-CHUNG HSIEH (Note 8) | | | | |
| | Assistant Vice President | CHI-WAN CHEN (Note 9) | | | | |
| | Assistant Vice President | YI-YAN LIAO | | | | |
| | General Manager of KGO | CHENG-KUANG CHAN | | | | |
| | Head of Financial and Accounting Head of Corporate Governance | DE-QI LIU (Note 10) | | | | |

Note 1: NAKAMURA Koji was onboard as the special assistant to the president after resigning as president in January 2024, and resigned in January 2024.

Note 2: JIA-CHIUAN PU resigned as senior vice president in March 2024.

Note 3: The Senior Vice President, SUGIMOTO Katsumi, was onboard as the president in January 2024.

Note 4: The Vice President, MU-SHENG LU, was removed in April 2024.

Note 5: The Vice President, YI-TSAI HSU, was removed in April 2024.

Note 6: The Vice President, YAMAMOTO Kozo, resigned in March 2024.

Note 7: The Assistant Vice President, JIA-XING CHEN, was removed in April 2024.

Note 8: The Assistant Vice President, YU-CHUNG HSIEH, resigned in March 2024.

Note 9: The Assistant Vice President, CHI-WAN CHEN, was removed in April 2024.

Note 10: The director of finance & accounting division, DE-QI LIU, was onboard as the head of Corporate Governance in March 2023.

3.2.5 Separate Comparison and Explanation of the Analysis of the Ratio of the Remuneration to Net Income Paid to Directors, Supervisors, President and Vice presidents by the Company and All Companies in the Consolidated Financial Statements in the Last Two Fiscal Years, the Policy and Standard of Paying Remuneration, the Procedure of Combining and Determining Remuneration, and the Relationship Between Business Performance and Future Risks

A. The ratio of total remuneration paid by the Company and by all companies in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, the president and vice presidents of the Company, to the net income.

Unit: NT\$ thousands

| Title | 2022 | | 2023 | |
|------------------------------|--------|--|--------|--|
| | Amount | Ratio of total remuneration to net income (loss) | Amount | Ratio of total remuneration to net income (loss) |
| Director | 46,762 | 7.62% | 39,960 | 16.92% |
| President and Vice President | | | | |

B. The policy and standard of paying remuneration, the procedure of combining and determining remuneration, and the relationship between business performance and future risk:

The Company's available-for-distribution earnings for 2023 is NT\$788,491,627. According to the resolution of the board of directors on March 14, 2024, a dividend of NT\$0.1 per share will be distributed.

In terms of the performance evaluation and remuneration of the directors and managers of the Company, the industry level, time devoted, responsibility, achievement of individual KPIs, performance during other positions, recent remuneration for equivalent positions of the Company, as well as the achievement of short-term and long-term goals and financial performance of the Company are considered to evaluate individual performance and the reasonableness of the relationship between business performance of the Company and future risks.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

There were 6 [A] meetings of the Board of Directors in 2023. The attendance of director was as follows:

| Title | Name | Attendance in Person (B) | By Proxy | Attendance Rate (%) 【B/A】 | Remarks |
|----------------------|---|--------------------------|----------|------------------------------|--|
| Chairman | TOPPAN HOLDINGS Inc. TAMURA Takayuki | 6 | 0 | 100% | Re-elected (June 23, 2022 reelection) Should attend 6 times |
| Director | TOPPAN HOLDINGS Inc. NUMAZAWA Sadahiro | 6 | 0 | 100% | Re-elected (June 23, 2022 reelection) Should attend 6 times |
| Director | TOPPAN HOLDINGS Inc. NAKAMURA Koji | 6 | 0 | 100% | Re-elected (June 23, 2022 reelection) Should attend 6 times |
| Director | TOPPAN HOLDINGS Inc. TOMOBE Minako | 5 | 0 | 100% | On April 1, 2023, TOPPAN HOLDINGS INC. reassigned the Board of Directors' representative. New appointed. Should attend 5 time |
| Director | TOPPAN HOLDINGS Inc. SAKAI Hiroyuki | 1 | 0 | 100% | On April 1, 2023, TOPPAN HOLDINGS Inc. reassigned the Board of Directors' representative. Dismissed. Should attend 1 time |
| Independent director | JAU-SHIN HON | 6 | 0 | 100% | Re-elected (June 23, 2022 reelection) Should attend 6 times |
| Independent director | JIA-LI SHIH | 6 | 0 | 100% | New appointed (June 23, 2022 reelection) Should attend 6 times |
| Independent director | PO-TSUN LIU | 4 | 0 | 100% | Re-elected (June 30, 2023 by-election) Should attend 4 times |

Other items required to be stated:

- Items referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the board meetings for which independent directors expressed objection or held reservation and are recorded or presented in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response thereto should be specified: None
In the case that any of the following conditions occur during the Board of Directors' meeting, the following information shall be disclosed: the date, duration, the content of the motion, and the Company's handling of the opinions of the independent directors:

| Title | Name | Attendance in Person (B) | By Proxy | Attendance Rate (%) 【B/A】 | Remarks |
|---|---|--------------------------|----------|------------------------------|---|
| (1) Matters listed in Article 14-3 of the Securities and Exchange Act: | | | | | |
| | | | | | All Independent Directors' Opinions and the Company's Handling of Independent Directors' Opinions |
| The 6th meeting of the tenth session March 15, 2023 | The appointment of auditors for 2023. | | | 1. | All the independent directors and directors present agreed to approve without dissent. |
| The 11th meeting of the tenth session December 20, 2023 | The sales to a related party, TOPPAN Inc. | | | 2. | The Company's handling of the independent directors' opinion: None |
| (2) Other than the preceding matters, other matters resolved by the Board of Directors with the independent directors' objection or reservation and recorded or written in statements: None. | | | | | |
| 2. With respect to directors recusing themselves in the case of conflict of interest, the directors' names, contents of motion, reasons for conflict of interest and votes should be specified: | | | | | |
| (1) The seventh meeting of the 10th Board of Directors was held on May 10, 2023: Discuss the first item of business: Manager's Bonus for Dragon Boat Festival in 2023. De-Qi Liu, Director, Finance & Accounting Division, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. | | | | | |
| (2) The ninth meeting of the 10th Board of Directors was held on August 9, 2023: Discuss the first item of business: Manager's salary adjustment in 2023. De-Qi Liu, Director, Finance & Accounting Division, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. Discuss the second item of business: Mid-Autumn Festival bonus issue for managers in 2023. De-Qi Liu, Director, Finance & Accounting Division, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. Discuss the third item of business: Salary adjustment and mid-year bonus for Japanese resident employees in 2023. NAKAMURA Koji, Director and President, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. | | | | | |
| (3) The eleventh meeting of the 10th Board of Directors was held on December 20, 2023: Discuss the first item of business: Manager's year-end bonus payment in 2023. De-Qi Liu, Director, Finance & Accounting and Corporate Governance, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. Discuss the second item of business: Year-end bonus payment for Japanese resident employees in 2023. NAKAMURA Koji, Director and President, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. Discuss the seventh item of business: The sales with related party, TOPPAN Inc. The corporate director, representing TOPPAN Holdings Inc., TAMURA Takayuki, NUMAZAWA Sadahiro, TOMOBE Minako and NAKAMURA Koji, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. Discuss the eleventh item of business: Appointment of presidents. NAKAMURA Koji, Director and President, recused himself from the meeting before the discussion and voting due to his own interest and did not participate in the discussion and voting. | | | | | |

| Title | Name | Attendance in Person (B) | By Proxy | Attendance Rate (%) 【B/A】 | Remarks |
|--|------|--------------------------|----------|------------------------------|---------|
| <p>3. TWSE/TPEX listed companies shall disclose the evaluation cycles, evaluation periods, scope and method of evaluation, evaluation contents, and other information of self-evaluation or peer evaluation of the board of directors: Please refer to Evaluation of Performance of Board Members.</p> <p>4. Measures taken to strengthen the functionality of the board: All directors have completed the continuing education hours required in 2023. In order to support the Board of Directors in fulfilling its supervisory responsibilities, the Company established an Audit Committee and Compensation Committee. The Company also established a Risk Management Committee in 2022 to assist with Company risk management.</p> | | | | | |

Evaluation of Performance of Board Members

The performance assessments of the functional committee shall include five significant aspects: The degree of participation in the company's operations, recognition of the responsibilities of the functional committee, improve the decision-making quality of functional committees, the composition of the functional committee and the selection of its members, internal control.

| Frequency | Period | Scope | Measure | Content |
|-------------|-----------------------|---|--|--|
| Once a year | 01/01/2023-12/31/2023 | Performance evaluation of the Board of Directors, individual Board members and functional committees (including the Audit Committee and the Compensation Committee) | Internal self-evaluation of the Board of Directors, Board members and functional committees (including the Audit Committee and the Compensation Committee) | <ol style="list-style-type: none"> 1. Evaluation of Performance of the Board includes the following five aspects: level of engagement in the operation of the Company, improvement of the quality of the resolution of the Board, the composition and structure of the Board, the election and continuing education of the Directors and the internal control. 2. Evaluation of Performance of individual Board Members includes the following six aspects: knowledge of the goals and mission of the Company, awareness of the duties of directors, level of engagement in the operation of the Company, internal relationship management and communication, professionalism and continuing education of the directors and internal control. 3. Evaluation of Performance of the functional committee shall include five significant aspects: The degree of participation in the company's operations, recognition of the responsibilities of the functional committee, improve the decision-making quality of functional committees, the composition of the functional committee and the selection of its members , internal control. |

3.3.2 Audit Committee

The Company established the audit committee on May 29, 2014. A total of 5 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

| Title | Name | Attendance in Person (B) | By Proxy | Attendance Rate (%) 【B/A】 | Remarks |
|----------|-----------------|-----------------------------|----------|------------------------------|--|
| Chairman | JAU-SHIN HON | 5 | 0 | 100.00% | Re-elected (June 23, 2022 reelection) Should attend 5 times |
| Member | JIA-LI SHIH | 5 | 0 | 100.00% | New appointed (June 23, 2022 reelection) Should attend 5 times |
| Member | PO-TSUN LIU | 3 | 0 | 100% | Resigned on July 31, 2022, and elected on June 30, 2023. Should attend 3 times |

1. Other items required to be stated: in the event of the following circumstances, the Audit Committee shall be held and state the date, time of the Audit Committee meeting, the content of the proposal, the content of the independent director's objections, reservations or material recommendations, the results of the resolution of the Audit Committee and the Company's handling of the opinions of the Audit Committee
- (1) Items required under Article 14-5 of Securities and Exchange Act:

(1) Items required under Article 14-5 of Securities and Exchange Act.

| Date | Meeting | Content | All independent director's opinions and the Company's handling | |
|-------------------|----------------------------|-----------------|---|--|
| March 15, 2023 | 4 th session | 5 th | Individual and consolidated financial reports for 2022 | No Independent Director had a dissenting opinion or qualified opinion. |
| | | | 2022 Earnings appropriation | |
| | | | 2023 CPA appointment | |
| | | | Greenhouse gas inventory and verification | |
| | | | Internal Audit Report for the fourth quarter of 2022 | |
| | | | 2022 business report | |
| | | | 2022 Internal Control Statement | |
| | | | Appointment of the head of corporate governance | |
| | | | Amendments to the “Articles of Incorporation” | |
| | | | By-election of independent directors | |
| | | | Date, location, proposal of 2023 shareholders’ meetings | |
| | | | Acceptance of shareholders’ proposal | |
| | | | Accepting nominations of candidates for independent directors from shareholders | |
| | | | Financing from GIANTPLUS (SAMOA) HOLDING CO., LTD. to the China subsidiary, KGO | |
| | | | The signing of “Authority Adjustment and Distribution Agreement related to General Principles for Pre-Approval of Non-assurance Service Policies” | |

| | | | | |
|-------------------|-------------------------|-----------------|---|--|
| May 10, 2023 | 4 th session | 6 th | Greenhouse gas inventory and verification report | |
| | | | Report on the review of shareholder proposals for the 2023 shareholders' meeting | |
| | | | Internal Audit Report for the first quarter of 2023 | |
| | | | Consolidated financial report for the first quarter of 2023 | |
| | | | Review of the nomination list for independent director candidates for the 2023 shareholders' meeting | |
| | | | Lifting the prohibition on directors from participation in competitive business | |
| | | | Date, location and proposal of shareholders' meeting in 2023 (Additional Report) | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD. | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO | |
| | | | Renewal of bank credit contract | |
| | | | | |
| August 9, 2023 | 4 th session | 7 th | Internal Audit Report for the second quarter of 2023 | |
| | | | Consolidated financial report for the second quarter of 2023 | |
| | | | Setting the reference date of ex-dividend | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD. | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO | |
| | | | Renewal of bank credit contract | |
| November 8, 2023 | 4 th session | 8 th | Internal Audit Report for the third quarter of 2023 | |
| | | | 2024 Audit Plan | |
| | | | Consolidated financial report for the third quarter of 2023 | |
| | | | Amendment to "General Principles for Pre-Approval of Non-assurance Service Policies" | |
| | | | Amendment to " Management Procedures for Internal Significant Information Processing and Prevention of Insider Transactions " | |
| | | | Amendment to the " Operating Procedures for Specific Companies and Its Group Enterprises and Transactions with Related Parties" | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD. | |
| | | | | |
| December 20, 2023 | 4 th session | 9 th | 2024 Operating Policies and Financial Forecast | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO | |
| | | | GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD. | |
| | | | Renewal of bank credit contract | |

- (2) Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors: None
2. If there are independent directors who recuse themselves due to conflict of interest, the directors' names, contents of motion, causes for recusal and votes shall be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and certified accountants
- (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. No such urgency took place in 2023. The communication channel between the Audit Committee and the internal auditor has been functioning well.
- (2) The Company's certified accountants will report to the Audit Committee immediately for any urgent matters. No such urgency took place in 2023. The communication channel between the Audit Committee and the CPAs has been functioning well.
4. Annual key points and operation
- Annual key points: (1) Reporting regularly the audit results to internal audit supervisor according to annual audit plans, (2) Reviewing financial report, (3) Assessment of the effectiveness of the internal control system, (4) Assessment of Procedures for Acquisition or Disposal of Assets, Financial Derivatives Transactions, Capital Lending to Others, Making Endorsements and Guarantees, and major transactions of assets, capital lending, and endorsements and guarantees, (5) Regulatory compliance, (6) Assessment of the independence of the Company's CPA, (7) Dismissal and appointment of financial and accounting supervisor, and (8) Other major items stipulated by the Company or the authorities.
 - Operation: All items were reviewed and approved by the Audit Committee, and no independent director had a dissenting opinion.

3.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”? | V | | The Company formulated “Corporate Governance Best Practice Principles” to protect shareholders’ rights and interest, enhance the functions of the Board of Directors, respect the rights of interested parties and promote information transparency. The principles are disclosed on the Company’s websites and MOPS. | No significant difference |
| II. Shareholding structure & shareholders’ rights (I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? | V | | (I) The Company set up a spokesperson, a deputy spokesperson and a special unit to take charge of proposals or disputes from shareholders. (II) In accordance with relevant regulations, the Company keeps track of any changes in equity to the list of the major shareholders and the ultimate owners. The change in shareholding of directors, managers, and the major shareholders holding more than 10% shares are reported on a monthly basis on the MOPS. (III) The Company has duly enacted the “Operating Procedures for Specific Companies and Its Group Enterprises and Transactions with Related Parties,” internal control, internal audit, and other relevant regulations for effective risk control. | No significant difference |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
| | Yes | No | Abstract Illustration | |
| (II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (III) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (IV) Does the company establish internal rules against insiders trading with undisclosed information? | V | V | (IV) The Company has duly enacted the Ethical Corporate Management Best Practice Principles to prohibit staff from engaging in insider trading, taking the advantage of information which has not yet been made public in the market. The Company promotes and regularly organizes relevant training courses for current directors, managers, and employees. In 2023, the Company organized education and training related to integrity management issues, including “Integrity management policies and confidentiality obligations”, “Prevention of Insider Trading and Related Legal Liability”, “Understanding Unusual Transaction”, “Corporate Governance,” and other related courses, conducted at least 1.5 hours of education and promotion for 2,478 people up to 2023. The Company has formulated the “Management Procedures for Internal Significant Information Processing and Prevention of Insider Transactions,” which clearly stipulates that company insiders, including (but not limited to) directors, are prohibited from trading the company's stocks or other equity securities listed or traded at the securities dealer's business premises from the day they become aware of the company's financial statements. This restriction applies to thirty days before the announcement of the annual financial statements and fifteen days before the announcement of each quarterly financial statements during the closed period. The Company regularly conducts education and training on relevant laws and regulations for managers and employees. In addition, recruits must sign a letter of commitment to integrity when reporting to work. | |
| III. Composition and Responsibilities of the Board of Directors (I) Does the Board of Directors have a diversity policy, specific management objectives and implementation | V | | (I) The Company formulated “Corporate Governance Best Practice Principles”, to take into consideration diversity of the board members. In addition to the principle that the number of directors who are concurrently managers of the Company shall not exceed one-third of the total number of directors, appropriate diversity principles shall be formulated with respect to the Company's operations, business model and development needs. Furthermore, the Company emphasized gender equality in the Board of Directors' composition. The Company has two female directors to the 10th Board of Directors, accounting for 28.5 % of the seats. | No significant difference compared to Article 20, the Corporate Governance Best-Practice Principles |

| Evaluation Item | Implementation Status | | | | | | | | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|--------|--|---------------------------------|----------------|---------------|------------------------|-------------------------------|------------|----------------------|--|--------------------|--------------------------------|----------------------|-------|--------|-------------|---------------------------------|--|--|----------------------|--|------------|--|--|-----|--|--|------------------|---------------|----------------|---------------|------------------------|-------------------------------|------------|----------------------|-------------------|--------------------|----------------------|----------------------|-----------------|----------|------|----------|--|--|--|---|--|---|--|--|---|--|--|---------------|----------|--------|----------|--|--|--|---|--|---|--|--|---|--|--|---------------|------------------------|------|----------|--|--|--|---|--|---|--|--|---|--|---|-------------------|----------|------|----------|--|--|--|---|--|---|--|--|---|--|--|--------------|----------------------|------|-----------|--|--|---|--|---|--|--|---|--|---|--|------------|----------------------|--------|-----------|---|--|--|--|---|--|--|---|---|--|--|-------------|----------------------|------|-----------|--|---|--|---|--|--|--|---|---|--|--|
| | Yes | No | Abstract Illustration | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| in relation to the composition of the Board? | | | The implementation of the Board Diversity Principles in 2023 are as follows: | | | | | | | | | | for TWSE/TPEX Listed Companies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? | V | | <table><tr><th rowspan="2">Name</th><th rowspan="2">Title</th><th rowspan="2">Gender</th><th rowspan="2">Nationality</th><th colspan="3">Tenure of independent directors</th><th colspan="2">Professional ability</th><th colspan="3">Background</th><th colspan="3">Age</th><th rowspan="2">Employers status</th></tr><tr><th>Under 3 years</th><th>From 3-9 years</th><th>Above 9 years</th><th>Technology or industry</th><th>Legal, finance, or accounting</th><th>Technology</th><th>Financial investment</th><th>Academic research</th><th>Under 55 years old</th><th>From 55-65 years old</th><th>From 66-75 years old</th></tr><tr><td>TAMURA Takayuki</td><td>Chairman</td><td>Male</td><td>Japanese</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td></td></tr><tr><td>TOMOBE Mutsuo</td><td>Director</td><td>Female</td><td>Japanese</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td></td></tr><tr><td>NAKAMURA Koji</td><td>Director and President</td><td>Male</td><td>Japanese</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td></tr><tr><td>NUMAZAWA Sadahiro</td><td>Director</td><td>Male</td><td>Japanese</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td></td></tr><tr><td>JAU-SHEN HON</td><td>Independent Director</td><td>Male</td><td>Taiwanese</td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td>V</td><td></td></tr><tr><td>HA-LI SHEH</td><td>Independent Director</td><td>Female</td><td>Taiwanese</td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>PO-TSUN LIU</td><td>Independent Director</td><td>Male</td><td>Taiwanese</td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr></table> | | | | | | | | | | | Name | Title | Gender | Nationality | Tenure of independent directors | | | Professional ability | | Background | | | Age | | | Employers status | Under 3 years | From 3-9 years | Above 9 years | Technology or industry | Legal, finance, or accounting | Technology | Financial investment | Academic research | Under 55 years old | From 55-65 years old | From 66-75 years old | TAMURA Takayuki | Chairman | Male | Japanese | | | | V | | V | | | V | | | TOMOBE Mutsuo | Director | Female | Japanese | | | | V | | V | | | V | | | NAKAMURA Koji | Director and President | Male | Japanese | | | | V | | V | | | V | | V | NUMAZAWA Sadahiro | Director | Male | Japanese | | | | V | | V | | | V | | | JAU-SHEN HON | Independent Director | Male | Taiwanese | | | V | | V | | | V | | V | | HA-LI SHEH | Independent Director | Female | Taiwanese | V | | | | V | | | V | V | | | PO-TSUN LIU | Independent Director | Male | Taiwanese | | V | | V | | | | V | V | | |
| Name | Title | Gender | Nationality | Tenure of independent directors | | | Professional ability | | Background | | | Age | | | | | | Employers status | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Under 3 years | From 3-9 years | Above 9 years | Technology or industry | Legal, finance, or accounting | Technology | Financial investment | Academic research | Under 55 years old | From 55-65 years old | From 66-75 years old | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TAMURA Takayuki | Chairman | Male | Japanese | | | | V | | V | | | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOMOBE Mutsuo | Director | Female | Japanese | | | | V | | V | | | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NAKAMURA Koji | Director and President | Male | Japanese | | | | V | | V | | | V | | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NUMAZAWA Sadahiro | Director | Male | Japanese | | | | V | | V | | | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JAU-SHEN HON | Independent Director | Male | Taiwanese | | | V | | V | | | V | | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HA-LI SHEH | Independent Director | Female | Taiwanese | V | | | | V | | | V | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PO-TSUN LIU | Independent Director | Male | Taiwanese | | V | | V | | | | V | V | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (III) Does the company establish a standard to measure the performance of the Board, implement it annually, submit the results to the Board of Directors and take the results into account in terms of the remuneration, the nomination and reelection of directors? | V | | (II) Except for establishing the Compensation Committee, Audit Committee, and the Risk Management Committee under the law, other departments are responsible for the Company's corporate governance operations in accordance with its duties. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (IV) Does the company regularly evaluate the independence of CPAs? | V | | (III) The Board of Directors passed “Rules for Board of Directors Performance Assessments” on August 10, 2020, regulating that board of directors shall conduct an internal performance assessment at least once a year, and an evaluation is conducted by an external professional independent organization or an external team of expert and scholars at least once every three years. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | In November 2023, the Company appointed Da Li Financial Advisory Co., Ltd. to conduct an external evaluation of the performance of the Board of Directors (including the performance evaluation of functional committees). The evaluation concluded that the performance of the Board of Directors was satisfactory, and it was reported to the Board of Directors on December 20, 2023. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | At the end of a fiscal year, the Board of Directors as a whole shall conduct an internal board performance assessment, which covers the following six aspects: mastery of corporate goals and tasks, awareness of directors' responsibilities, participation in corporate operations, internal relationship management and communication, professional and continuing education of directors, and internal control. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| | | | <p>The results of the Board of Directors' self-evaluation revealed no significant improvement items. The results of the evaluation were reported to the directors on March 14, 2024 and will be used as a reference for the performance, compensation and nomination of board members for reappointment.</p> <p>(IV)The Company is certified by KPMG. The Company has established independent assessment items in accordance with the “Statements on Auditing Standards” and the “The Norm of Professional Ethics for Certified Public Accountant of the Republic of China”, No. 10 “Integrity, Justice, Objectivity and Independence.”</p> <p>The Audit Committee reviewed and the Board of Directors approved the “Accountant Independence Assessment Procedure Form” and the “Accountant Independence Statement” issued by accountants and assessed the independence and suitability of the accountant at least once a year, with reference to the audit quality indicators (AQIs); the assessment items include financial interests, business relationships, family and personal relationships, and other independence and objectivity to prove that the company and its subsidiaries or related companies and accountants have no conflict of interest. The last two annual evaluations were reported to the Board of Directors on May 10, 2022 and March 15, 2023.</p> <p>The evaluation mechanism is as follows.</p> <ol style="list-style-type: none"> 1. The Company's certified public accountants are not related to the Company and its directors. 2. The Company complies with the Corporate Governance Best-Practice Principles for rotating certified public accountants. 3. The Company is required to obtain the prior approval of the Audit Committee before the appointment of the certified public accountants for annual and other cases. 4. The certified public accountant shall report to the Audit Committee regularly on compliance with the content and independence of the review/inspection. 5. Obtaining the independent statement issued by the accountant regularly. <p>The results of the evaluation are as follows:</p> <ol style="list-style-type: none"> 1. The independence between the certified public | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| | | | <p>accountants and the Company complies with the ROC Certified Public Accountant Act and the Code of Ethics for Professional Accountants.</p> <p>2. Has not served as the Company’s Chief Accountant for more than seven years.</p> | |
| IV. Does the company set up an adequate number of competent corporate governance personnel and a designated supervisor who are responsible for corporate governance matters (including but not limit to providing information for directors to perform their functions, assisting directors and supervisors with regulatory compliance, handling work related to the board meetings and the shareholders' meetings and | V | | <p>The Board of Directors approved the appointment of Mr. DE-QI LIU as Corporate Governance Officer, whose qualifications met Paragraph 1, Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and will be in charge of overseeing and planning corporate governance.</p> <p>The main responsibilities of the Corporate Governance Officer include: Handling matters relating to board meetings and shareholders' meetings according to laws, producing minutes of board meetings and shareholders' meetings, assisting in onboarding and continuous development of directors/independent directors, furnishing information required for business execution by directors/independent directors, assisting directors/independent directors with legal compliance, reporting to the Board of Directors on the examination results regarding the qualifications of independent directors during nomination, appointment, and tenure in compliance with relevant laws and regulations, proceeding with matters related to changes of directors, and other matters set out in the Articles or Incorporation or contracts.</p> <p>The following are highlights of corporate governance-related matters.</p> <ol style="list-style-type: none"> 1. In 2023, a total of six board meetings and five Audit Committee meetings were held. 2. In 2023, one annual general shareholders' meeting was held. 3. All members of the Board of Directors have completed a minimum of six hours of continuing education. 4. The Company maintains liability insurance for directors and key employees and reports to the Board of Directors upon renewal of the insurance. 5. The Company is ranked between 36-50% among listed companies of the 10th Corporate Governance Assessment. Ranked between 21~40% among industries with market | No significant difference |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
| | Yes | No | Abstract Illustration | |
| preparing minutes of board meetings and shareholders’ meetings)? | | | capitalization ranging from over 5 billion to 10 billion NT dollars. 6. In 2023, the total number of training hours for corporate governance executives was 18 hours. Please refer to the table below for the complete training course information. | |
| V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities? | V | | The Company maintains a smooth communication channel with the banks and other creditors, employees, suppliers, communities or parties the Company holds interest in, and respects and maintains their legitimate rights and interests. Stakeholder site: http://www.giantplus.com/csr/stakeholder | No significant difference |
| VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs? | V | | The Company appointed the Stock Agent Department of Yuanta Securities Co., Ltd. as the Company's stock agency to handle the related matters of the shareholders' meeting. | No significant difference |
| VII. Information Disclosure | | | | No significant difference |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? | V | | <p>(I) Disclosure of financial information: The Company's official websites in both English and Chinese have an investor relations section where financial information is updated regularly.</p> <p>Business information disclosure: Product introductions and technical descriptions are available on the Company's website, which provides real-time information on various products and services.</p> | |
| (II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? | V | | <p>Corporate governance information disclosure: The Company has a corporate governance section, which contains information on the Board of Directors, functional committees and corporate governance.</p> <p>Official website: http://www.giantplus.com.</p> <p>(II) Designate a person responsible for collecting and disclosing corporate information: The Company has designated a person responsible for collecting and disclosing the Company information and will reveal the latest and accurate information to the public through press releases or important news.</p> <p>Implementation of the spokesperson system: The Company's spokesperson is YI-YAN LIAO, the assistant vice president of operation planning department, and MIN-RONG LI, the assistant vice president of operating strategy department, is the acting spokesperson.</p> | |
| (III) Does the company publicly announce and register with the Competent Authority financial reports within two months after the | | V | <p>The Company has a spokesperson and a proxy spokesperson responsible for external communication.</p> <p>Information of the Company briefings: relevant Company briefings shall be entered into the Market Observation Post System (MOPS) in accordance with the regulations of Taiwan Stock Exchange Corporation (TWSE).</p> | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| close of the fiscal year and publicly announce and register with the Competent Authority the financial reports for the first, second, and third quarters and the business reports for each month of the fiscal year in advance? | | | (III)The Company publicly announces and registers with the competent authority the financial reports of the fiscal year, the financial statements of the first, second and third quarter financial reports, and the business reports of each month before the due date but not in advance. In addition, the Company shall announce and report the above information at the MOPS before the prescribed period and upload them to the Company's website simultaneously. | |

| Evaluation Item | | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|---------------------------------|-----------------------|----|---|--|
| | | Yes | No | Abstract Illustration | |
| VIII. Is there any other important information that the Company could provide to help people understand how corporate governance operates (such as employee's rights and interests, employee care, investor relations, supplier relations, interested stakeholder's rights, directors and supervisors' training, implementation of risk management policies and risk measurement standards, customer policies, and liability insurance purchased for directors and managers.)? | Employee's rights and interests | V | | One of the Company's corporate philosophies is “people-oriented” and caring for its employees. The Company has established various measures of welfare for employees, as well as organizing an employee welfare committee. For employee's rights and interests, please refer to the labor relations section of this annual report, (pages 104-106). Employee Relations: Please contact Mr. Yeh (Email: er@giantplus.com) | No significant difference |
| | Employee care | V | | | |
| | Investor Relations | V | | In compliance with relevant regulations, the Company instructed dedicated staff to immediately disclose information about its financial, business operation, and insider shareholding changes on the Market Observation Post System and official websites. The information shall be open and transparent. We have set up a contact window for stock affairs and investor relations as two-way communication and are invited to participate in legal person forums from time to time. Operation Planning Department: Please contact Ms. Hsu (Email: ir@giantplus.com) | |
| | Supplier Relations | V | | The Company established “Supplier Appraisal Procedure” to evaluate suppliers’ compliance with the Company’s requirements. In order to become a qualified supplier of GIANPLUS, suppliers must meet GIANPLUS's requirements for quality, price, delivery and service, as well as social responsibility, environmental protection, and work safety and hygiene. Strategic Procurement Office: Please contact Ms. Liang (Mail: Logistics@giantplus.com) | |
| | Interested Stakeholder's Rights | V | | The Company establishes various communication channels to effectively communicate with stakeholders, quickly grasp reasonably expected issues and special concerns, so that the Company can have a complete understanding of the relevant issues, and solutions, and will respond quickly. Operation Planning Department: Please contact Ms. Hsu (Email: ir@giantplus.com) | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| Directors and supervisors' training | V | | The Company established training program in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. For details, please refer to the table below: “The Company's Directors' Training in 2023”. | |
| Implementation of Risk Management Policies and Risk Measurement Standards | V | | For Review of Financial Conditions, Financial Performance, and Risk Managements. Please refer to pages 123-133. | |
| Implementation of Customer Policies | V | | In accordance with relevant regulations and to emphasize the importance of customer requirements, the Company sends out a “Customer Satisfaction Questionnaire” to major customers on a yearly basis, which includes technological capabilities, price, delivery, quality, service, and information feedback, etc. As part of the annual plan's progress direction, the Company conducts an analysis and evaluation based on customer feedback. Marketing Business Office: Please contact Ms. Peng (Email: customer@giantplus.com) | |
| Liability Insurance Purchased for Directors and Managers. | V | | The Company has purchased liability insurance for its directors. IT regularly evaluates the amount of insurance coverage on a yearly basis, and reports to the Board of Directors on the renewal of directors' liability insurance. | |
| IX. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. | | | | |

| Evaluation Item | Implementation Status | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|-----------------------|--|
| | Yes | No | Abstract Illustration | |
| <p>The Company established the “Corporate Governance Practice Principles” on December 25, 2014. The ranking of the Company’s 10th corporate governance evaluation among listed companies was at 36-50% of the industry. The Company continues to practice sustainability management in the perspective of economy, environment and society. We will also uphold the core values of integrity, and bear the long-term responsibility for all stakeholders and society.</p> <p>Improvements:</p> <ul style="list-style-type: none">● To safeguard shareholder rights and ensure fair treatment, internal regulations was established and disclosed on the company's website prohibiting directors or employees from using undisclosed market information to trade securities. The regulations provide that directors are prohibited from trading their stocks thirty days before the announcement of the annual financial statements and fifteen days before the announcement of each quarterly financial statements during the closed period. The internal regulations also include information on the execution of these regulations.● To strengthen the structure and operation of the Board of Directors, members of the Company’s remuneration committee are required to attend meetings at least twice a year and to disclose information such as policies, systems, standards and structures for regularly reviewing the performance evaluation and remuneration of directors and managers.● To strengthen the structure and operation of the Board of Directors, the Company has formulated an evaluation measure for the performance of the board of directors, which was approved by the Board of Directors. It specifies conducting an external evaluation at least once every three years. An evaluation was conducted in 2023, and the execution status and evaluation results would be disclosed on the corporate website.● To enhance information transparency, relevant information concerning finances, operations, and corporate governance of the Company is disclosed on the corporate website.● To promote sustainable development, the information on the annual greenhouse gas emissions, water usage, and total waste weight for the past two years is disclosed on the corporate website. <p>Prioritization measures :</p> <ul style="list-style-type: none">● In order to safeguard shareholders' rights and treat shareholders fairly, the Company will upload the annual report in Chinese and English 18 days before the regular shareholders' meeting.● To enhance information transparency, the Company hold at least two investor conferences and disclose information on at least two complete conference video links. The intervals between the two investor conferences will be at least three months.● To enhance information transparency, the Company will disclose the interim financial statements in English within two months after the deadline for filing the Chinese version of the interim financial statements.● To promote sustainable development, the sustainability report prepared by the Company will be submitted to the Board of Directors for approval.● To promote sustainable development, the sustainability report prepared by the Company will be verified by a third party. | | | | |

Further Education of the Company's Directors in 2023

| Job Title | Name | Date of Education | Organized by | Name of Course | Hours of Education | |
|----------------------|-------------------|-------------------|---|--|--------------------|----|
| Director | TAMURA Takayuki | 2023.11.14 | Taiwan Corporate Governance Association | Financial statement analysis/cybersecurity | 3 | 6 |
| | | 2023.11.14 | Taiwan Corporate Governance Association | Transfer pricing and BEPS international taxation/Top 10 arguments in Taiwanese tax investigations and tax cases under scrutiny | 3 | |
| | NAKAMURA Koji | 2023.11.14 | Taiwan Corporate Governance Association | Financial statement analysis/cybersecurity | 3 | 6 |
| | | 2023.11.14 | Taiwan Corporate Governance Association | Transfer pricing and BEPS international taxation/Top 10 arguments in Taiwanese tax investigations and tax cases under scrutiny | 3 | |
| | TOMOBE Minako | 2023.08.31 | Taiwan Corporate Governance Association | Auditor's perspective on financial statement audit | 3 | 12 |
| | | 2023.08.31 | Taiwan Corporate Governance Association | Accounting history and determination of Taiwan-source Income | 3 | |
| | | 2023.11.14 | Taiwan Corporate Governance Association | Financial statement analysis/cybersecurity | 3 | |
| | | 2023.11.14 | Taiwan Corporate Governance Association | Transfer pricing and BEPS international taxation/Top 10 arguments in Taiwanese tax investigations and tax cases under scrutiny | 3 | |
| | NUMAZAWA Sadahiro | 2023.11.14 | Taiwan Corporate Governance Association | Financial statement analysis/cybersecurity | 3 | 6 |
| | | 2023.11.14 | Taiwan Corporate Governance Association | Transfer pricing and BEPS international taxation/Top 10 arguments in Taiwanese tax investigations and tax cases under scrutiny | 3 | |
| Independent Director | YAO-HSUN HUNG | 2023.11.23 | Taiwan Corporate Governance Association | Corporate Governance 3.0 and ESG development trends | 3 | 6 |
| | | 2023.11.23 | Taiwan Corporate Governance Association | Under the global carbon trading mechanism, a discussion on carbon taxes, carbon credits, and carbon asset management | 3 | |
| | JIA-LI SHIH | 2023.11.22 | Securities and Futures Institute, SFI | Directors and Supervisors (Including Independent directors) and Corporate Governance Executives, Advanced Practical Seminar - Sustainable Supply Chains and Circular Economy | 3 | 6 |
| | | 2023.11.24 | Securities and Futures Institute, SFI | Directors and Supervisors (Including Independent directors) and Corporate Governance Executives, Advanced Practical Seminar -Challenges and responsibilities of the board of directors under corporate governance evaluation indicators and sustainable action plans | 3 | |
| | PO-TSUN LIU | 2023.12.19 | Taiwan Corporate Governance Association | Criminal liability practical analysis of securities misconduct cases | 3 | 6 |
| | | 2023.12.26 | Taiwan Corporate Governance Association | Circular economy benefits and sustainable financial opportunities | 3 | |

Further Education of the Company's Corporate Governance Officer in 2023:

| Date of Education | Organized by | Name of Course | Hours of Education |
|-------------------|--|---|--------------------|
| 2023.04.09 | Accounting Research and Development Foundation | Global Net Zero Emissions Impact and ESG Actions | 3 |
| 2023.04.27 | Taiwan Stock Exchange | Promotion Meeting on Sustainable Development Programs for TWSE/TPEX Listed Companies | 3 |
| 2023.05.26 | Environmental Protection Administration, Executive Yuan, R.O.C. (Taiwan) | Green Chemistry: Co-Creating Sustainability - Seminar and Symposium | 3 |
| 2023.06.12 | Accounting Research and Development Foundation | Promoting Corporate Sustainable Development through Risk Management | 6 |
| 2023.07.06 | The Allied Association for Science Park Industries | How the board of directors shall implement corporate intellectual property management | 3 |

3.3.4 Composition and Operations of the Remuneration Committee

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

- i. There are three members of the Compensation Committee of the Company.
- ii. The Compensation Committee's members are listed below along with pertinent working years, professional qualifications, experience, and independence:

April 30, 2024

| <div style="display: flex; justify-content: space-between;"> <div style="transform: rotate(-45deg); white-space: nowrap;">Title Name</div> <div>Criteria</div> </div> | | Professional Qualifications and Experience | Independent situation | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member |
|---|--------------|---|---|---|
| Convener Independent Directors | JAU-SHIN HON | Please refer to the Professional Qualifications and Independence of Independent Directors on pages 14-16 for details. | Please refer to the Professional Qualifications and Independence of Independent Directors on pages 14-16 for details. | 1 |
| Independent Directors | JIA-LI SHIH | | | 0 |
| Independent Director | PO-TSUN LIU | | | 0 |

Attendance of Members at Remuneration Committee Meetings

1. The Remuneration Committee of the Company is comprised of three members.
2. Committee members' tenure of their current term: From July 11, 2022 to June 22, 2025, and the Remuneration Committee held four meetings (A) during the most recent year, and members' qualifications and their attendance are listed below.

| Title | Name | Attendance in Person (B) | Attendance by Proxy | Attendance rate (%) B/A | Remarks |
|--|--------------|--------------------------|---------------------|----------------------------|---|
| Convener | JAU-SHIN HON | 4 | 0 | 100% | Re-elected (July 11, 2022 elected) Should attend 4 times |
| Member | JIA-LI SHIH | 4 | 10 | 100% | Re-elected (July 11, 2022 elected) Should attend 4 times |
| Member | JIA-MO HUANG | 2 | 0 | 100% | Re-elected (resigned on June 21, 2023) Should attend 2 times |
| Member | PO-TSUN LIU | 1 | 0 | 100% | New appointed (July 01, 2023 elected) Should attend 2 times |
| <p>Annotation:</p> <ol style="list-style-type: none"> 1. If the board refuses or modifies the recommendation made by the committee, specify the date and term of the board meeting and proposal content, board resolution and handling of committee opinion (if the compensation approved by the board is better than the compensation recommended by the committee, specify the difference and causes): None. 2. When members disagree to or have reservations of a resolution made at the committee meeting with track records or written statements, specify the date and term of the committee meeting, proposal content, opinion of all members, and handling of their opinion: None. | | | | | |

3.3.5 The state of the company's promotion of sustainable development and any variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reason for any such variance

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Abstract Explanation | |
| I. Does the company have a governance structure in place to promote sustainable development and set up a dedicated (or concurrent) unit to promote sustainable development authorized by the board of directors to be handled by senior management while the board of directors supervises the situation? | V | | <p>(I) The project team of the “sustainable development project implementation team” was set up under the President with the Administrative Management Division as the dedicated unit, and each department shall assign a director or Representative to participate.</p> <p>(II) Implementation of the Company's sustainable development.</p> <ol style="list-style-type: none"> 1. On March 17, 2022, The Company revised the “Sustainable Development Best Practice Principles”, as approved by the Board of Directors. 2. The project implementation team integrated the resources of various departments to promote ESG operations. The sustainable development report has been publicly disclosed on the official website since 2014. The 2023 annual edition is expected to be revealed in August 2024. 3. On December 20, 2023, the convenor of the project implementation team reported to the board of directors on "Formulating Sustainable Development Policies and Specific Implementation Plans,” and the Board of Directors is regularly informed of the progress of issues related to sustainable development. <p>(III) Our company's sustainability policy is as follows:</p> <ol style="list-style-type: none"> 1. To adhere to laws, regulations, and internal company policies, and to conduct business fairly. 2. To actively participate in environmental protection efforts to achieve a sustainable society. 3. To respect human rights. 4. To respect the diversity of talents, and to strive to create a working environment that promotes the physical and mental well-being of employees and allows them to feel the value of | No significant difference |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons | | | | | | | | | | | | | | |
|--|--|--|---|---|------------------|---|-------------------------|---|---|--|--|---|--|--|--|--------------------------------|--|---------------------------|
| | Yes | No | Abstract Explanation | | | | | | | | | | | | | | | |
| | | | their work. 5. To enhance corporate value through social welfare activities, proper information disclosure, and dialogue. | | | | | | | | | | | | | | | |
| II. Does the company conduct risk assessment of environmental, social, and corporate governance issues concerning the company's operations by the materiality principle and formulate relevant risk management policies or strategies? | Y | | (I) The Company enacted the Corporate Social Responsibility Best Practice Principles on December 25, 2014 which has been announced in the internal online system. On March 17, 2022, the name of these principles was changed to the “Sustainable Development Best Practice Principles”, as approved by the Board of Directors. Please refer to pages 161 to 168 for the “Sustainable Development Best Practice Principles”. (II) Our company established the Risk Management Committee on November 9, 2022, to review policies for managing various risks. The committee convenes at least once a year, with the most recent meeting held on December 20, 2023. (III) Risk management strategy: <table><tr><th>Risk Category</th><th>Risk Description</th><th>Risk Management Strategy(Response Measures)</th></tr><tr><td rowspan="5">Sustainable Environment</td><td>Greenhouse gas emissions continue to increase</td><td>Conduct an annual inventory of greenhouse gas emissions and devise effective carbon reduction improvement plans. Invest in the development of green products to enhance product weather resistance and recyclability, reduce carbon emissions in the production process, and extend product life cycles.</td></tr><tr><td>Inability to effectively conserve energy</td><td>Improve processes to reduce waste energy and promote energy-saving initiatives. Implement energy-saving measures and high-efficiency equipment to continuously decrease the per-unit electricity consumption of products.</td></tr><tr><td>Continuous increase in wastewater discharge</td><td>Enhance the effective management of waste generated by the company, implementing waste reduction, sorting, reuse, and disposal operations to achieve waste control and reduction objectives.</td></tr><tr><td>Increase in waste disposal volume / Decrease in recycling rate</td><td>Enhance process efficiency to reduce waste and increase recycling rates.</td></tr><tr><td>Water shortage, power shortage</td><td>Enhance process efficiency to reduce water and electricity consumption and increase water recycling rates. Construct solar power generation facilities. Invest in installing pressure reduction equipment and equip critical production machinery with uninterrupted power supply (UPS) systems to mitigate voltage drop risks.</td></tr></table> | Risk Category | Risk Description | Risk Management Strategy(Response Measures) | Sustainable Environment | Greenhouse gas emissions continue to increase | Conduct an annual inventory of greenhouse gas emissions and devise effective carbon reduction improvement plans. Invest in the development of green products to enhance product weather resistance and recyclability, reduce carbon emissions in the production process, and extend product life cycles. | Inability to effectively conserve energy | Improve processes to reduce waste energy and promote energy-saving initiatives. Implement energy-saving measures and high-efficiency equipment to continuously decrease the per-unit electricity consumption of products. | Continuous increase in wastewater discharge | Enhance the effective management of waste generated by the company, implementing waste reduction, sorting, reuse, and disposal operations to achieve waste control and reduction objectives. | Increase in waste disposal volume / Decrease in recycling rate | Enhance process efficiency to reduce waste and increase recycling rates. | Water shortage, power shortage | Enhance process efficiency to reduce water and electricity consumption and increase water recycling rates. Construct solar power generation facilities. Invest in installing pressure reduction equipment and equip critical production machinery with uninterrupted power supply (UPS) systems to mitigate voltage drop risks. | No significant difference |
| Risk Category | Risk Description | Risk Management Strategy(Response Measures) | | | | | | | | | | | | | | | | |
| Sustainable Environment | Greenhouse gas emissions continue to increase | Conduct an annual inventory of greenhouse gas emissions and devise effective carbon reduction improvement plans. Invest in the development of green products to enhance product weather resistance and recyclability, reduce carbon emissions in the production process, and extend product life cycles. | | | | | | | | | | | | | | | | |
| | Inability to effectively conserve energy | Improve processes to reduce waste energy and promote energy-saving initiatives. Implement energy-saving measures and high-efficiency equipment to continuously decrease the per-unit electricity consumption of products. | | | | | | | | | | | | | | | | |
| | Continuous increase in wastewater discharge | Enhance the effective management of waste generated by the company, implementing waste reduction, sorting, reuse, and disposal operations to achieve waste control and reduction objectives. | | | | | | | | | | | | | | | | |
| | Increase in waste disposal volume / Decrease in recycling rate | Enhance process efficiency to reduce waste and increase recycling rates. | | | | | | | | | | | | | | | | |
| | Water shortage, power shortage | Enhance process efficiency to reduce water and electricity consumption and increase water recycling rates. Construct solar power generation facilities. Invest in installing pressure reduction equipment and equip critical production machinery with uninterrupted power supply (UPS) systems to mitigate voltage drop risks. | | | | | | | | | | | | | | | | |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons | | |
|-------------------|-----------------------|----|--------------------------|---|--|--|
| | Yes | No | Abstract Explanation | | | |
| | | | | Typhoons, floods | Invest in installing pressure reduction equipment and equip critical production machinery with uninterrupted power supply (UPS) systems to mitigate voltage drop risks. | |
| | | | | Violations of environmental regulations | Continuously monitor changes in energy and carbon management-related policies and regulations, actively participate in discussions and public hearings regarding new or revised regulations. Conduct environmental and safety audits to assess compliance with regulations related to occupational safety, environmental protection, and fire safety, and implement corrective actions for improvement. Implement an annual environmental and safety education and training program to enhance the skills of personnel involved in occupational safety and environmental protection across various facilities and to provide updates on environmental and safety regulations. | |
| | | | Employees | Occupational accidents (including impacts from the COVID-19 pandemic). | The safety and health of our workplace are paramount, with the goal of establishing a safe and healthy environment free from occupational hazards. We aim for employees and workers to operate in a setting that prioritizes their well-being. Regularly conducting occupational health, safety, and fire prevention education and training. | |
| | | | | Overwork (long working hours). | Establishing diverse and open channels of communication (quarterly labor-management meetings, annual department manager communication meetings), as well as avenues for labor/human rights issue complaints, to foster a friendly work environment. | |
| | | | | High turnover rate (facing labor shortages). | Preparing response plans in advance and having inter-facility support scheduling and flexible outsourcing arrangements in place to meet anticipated needs. | |
| | | | Operational Performance: | Ethical integrity risks. | Establish ethical codes of conduct and implement effective corporate governance and risk management mechanisms to promote integrity in business operations. | |
| | | | | Insufficient transparency in information disclosure. | Disclose tax information through public channels such as financial reports and annual reports in accordance with regulations, allowing stakeholders to access information and ensuring transparency. | |
| | | | | Declining market competitiveness. | Enhance product quality control and return/exchange mechanisms. | |
| | | | | Occurrence of cybersecurity incidents | 1.Established the "Information Security Management Committee" in 2021, composed of senior executives from various functions within the company, to formulate and implement information security-related strategies, as well as relevant preventive and corrective measures. 2.Hold monthly meetings of the Information Security Committee to review the effectiveness of information security management, discuss and analyze relevant issues or incidents. 3.Increase employee awareness of email social engineering attacks and implement phishing email defense detection. 4.Publicize the effectiveness of information security implementation and the overall risk situation to all employees, fostering a culture of "information security, everyone's responsibility." | |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
| | Yes | No | Abstract Explanation | |
| | | | <div>Product Liability (Facing Recall/Withdrawal)</div> <div> 1.Optimize product quality control and return/exchange mechanisms. 2.Strengthen inventory of competitiveness with customers' agreements and shipment types, as adjustments to internal production plans. 3.Monitor the operation of hazardous substance process management systems, convene environmental management promotion review and review meetings, collect international environmental regulations, initiate hazardous substance reduction plans, and implement environmental restricted substance control plans. 4.When customers have specific environmental technical standards requirements, the company should comply with and meet these requirements. 5.Immediately report to the management when abnormal hazardous substances are discovered and implement the instructions given by the management. </div> <div> Sustainability Supply Chain Interruptions </div> <div> 1.Short-term Risks: Holiday season closures and low information transparency. Response: Focus on rapid investigation and tracking of information. 2.Medium to Long-term Risks: Spread of pandemics, city lockdowns, factory delays impacting production and supplies. Response: Quickly integrate feedback from suppliers and production information, adjust production and resource allocation, minimize potential impacts, and strive for real-time control in material, production, and manpower scheduling. 3.Explore alternative import sources for required raw materials to reduce reliance on existing suppliers. </div> | |
| III. Environmental issues | | | | |
| (I) Does the company establish proper environmental management systems based on the characteristics of their industries? | V | | The Company established an environmental management system and maintain operation and obtain certification through certification. The latest certificate is valid from April 17, 2022, to March 28, 2025. Regular third-party external audits are conducted annually to maintain the validity of the certificate. | No significant difference |
| (II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? | V | | In accordance with the recycling and environmental protection laws and regulations, the Company established environmental management policies and systems, designated environmental personnel to plan and supervise activities to meet environmental emission standards. The Company conducts annual optimization adjustments for improving energy efficiency by implementing measures such as reducing electricity consumption and enhancing exhaust gas combustion efficiency, and prioritize suppliers with environmental responsibility, utilizing recycled materials. Waste is disposed of | No significant difference |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | Abstract Explanation | |
| | | | legally and properly, with renewable waste being recycled. The Company provide products that are free from harmful substances. The company actively promotes various energy-saving measures, selects equipment with high energy efficiency and energy-saving designs to reduce corporate and product energy consumption, and optimize energy use efficiency. In addition, it installs renewable energy generation equipment and procures green energy to progressively increase the use of renewable energy by 1% annually. | |
| (III) Does the company assess the potential risks and opportunities now and in the future regarding climate change, and take relevant measures to address them? | V | | In response to climate change, the Company implemented several measures, including maintaining an annual average electricity savings rate of at least 1%, optimizing exhaust gas combustion efficiency, recycling and reusing wastewater, using energy-efficient lighting equipment and water-saving switches, controlling elevator stops on specific floors, and regulating the quantity of paper used for photocopying. | No significant difference |
| (IV) Does the company record the amount of greenhouse gas emissions, water usage and the total weight of waste for the last two years and formulate policies pertaining to energy conservation and carbon reduction, greenhouse gas reduction, water conservation or other waste management policies? | V | | (I) The Company's plants in Taiwan comply with ISO 14064-1 standards, completing greenhouse gas inventory and external verification by third parties. the results are reported to the environmental regulatory authorities on a regular basis as required by law... 1. Greenhouse gas emissions: 228,698 tons of CO ₂ e in 2022 (Scope 1: 143,900 metric tons, Scope 2: 87,600 metric tons, and Scope 3 emissions were qualitatively assessed due to difficulty in classification and quantification.); the emissions for 2023 would complete inventory certification in June 2024. The Bade plant is equipped with greenhouse gas (perfluorocarbons (PFCs)) processing equipment to maintain normal operations and effectively reduce greenhouse gas emissions. | No significant difference |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Abstract Explanation | |
| | | | <p>2. The water consumption was 2.63 million tons in 2022 and 2.58 million tons in 2023.</p> <p>3. Waste: 1,452 tons of hazardous waste and 2,412 tons of general waste in 2022; 1,249 tons of hazardous waste and 2,325 tons of general waste in 2023.</p> <p>(II) Waste Reduction Target: In 2023, the percentage of waste recycling and treatment was 33%. In response to the initiatives outlined in the declaration of TOPPAN's 2050 Environmental Goals, aiming to enhance recycling by 12% by 2030, the target recycling rate for waste treatment in 2030 is set to be above 45%.</p> <p>(III) Current Status of Waste Reduction: The percentage of waste recycling and treatment in 2023 was 33%.</p> <p>(IV) Increasing Wastewater Recycling: The company has implemented several improvement measures, anticipating an increase of 180,000 tons in recycled water volume for wastewater recycling and management by 2030 compared to the projected volume in 2023.</p> <p>(V) Greenhouse Gas Reduction: To continue meeting international reduction trends, optimization adjustments to the CVD exhaust combustion efficiency and investment in dry etch exhaust combustion equipment to reduce carbon emissions are planned. It is estimated that greenhouse gas emissions will be reduced by at least 38% by 2030 compared to 2022.</p> | |
| IV. Social issues | | | | |
| (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | V | | The Company is compliant with labor-related laws and regulations, set up related working rules to protect employee rights and provide information for employees to understand their rights. | No significant difference |
| (II) Does the company formulate and implement reasonable | V | | (I) The Company values the employee benefit and welfare. In terms | No significant difference |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Abstract Explanation | |
| employee benefit policies, including remuneration, leave and other benefits, and properly relate operating performance or results to employee remuneration? | | | <p>of the remuneration, employees’ work experience, education and professional competence are taken into account regardless of any gender, race, religion, political preference or marital status. Since 2015, the performance evaluation system has been actively reformed to closely link performance bonus to personal responsibilities, important KPIs of the department and the Company, festival bonus/ performance bonus.</p> <p>(II) The welfare contents of the Employee Welfare Committee include wedding and funeral subsidies, New Year's Day and birthday gift vouchers, employee travel subsidies, discounts with special stores, and cultural and recreational activities.</p> | |
| (III) Does the company offer a safe and healthy working environment for its employees and conduct safety and health education for employees on a regular basis? | V | | <p>(I) The Company established an occupational safety and health management system in accordance with the Occupational Safety and Health Act, and passed the international certification of ISO 45001 management system. Specialized occupational safety units and personnel are appointed in the plants to promote safety measures. Regular automatic inspections and environmental measurements are conducted in the workplace to ensure employee safety. Periodic medical examination are carried out to ensure the health of employees, and employees are provided with a good working environment along with regular safety promotion and education and training.</p> <p>(II) In 2023, there were 3 occupational accidents involving 3 employees, accounting for 0.189% of the total number of employees at the end of 2023. The Company formulates appropriate measures that accelerate the improvement after thoroughly reviewing each occupational accident case and analyzing causes. Additionally, the Company conduct case studies to educate all personnel and prevent recurrence., keep examining and enhancing the machine's safety interlocking device, prohibit employees from lifting the raised floor, remind employees to stand securely on stairs before walking, etc., and</p> | No significant difference |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Abstract Explanation | |
| | | | <p>modify the Company's safety policy to promote the concept of safety first to prevent industrial safety accidents from happening.</p> <p>(III) In 2023, there were no fire incidents. Regular fire drills were conducted on the factory premises, and the fire suppression systems underwent regular inspections and maintenance.</p> | |
| (IV) Does the company provide its employees with career development and training sessions? | V | | <p>(I) The Company established a complete education and training framework, through newcomer training, e-learning, OJT training, and supervisor training, etc. Supervisors and employees at all levels are targeted for training. Multiple learning channels are also created to develop employees' career abilities.</p> <p>(II) The Company is committed to building a learning organization, and through a diversified digital learning platform and an incentive mechanism for designing training courses, encouraging supervisors of each department to nurture their subordinates and improve the quality and participation rate of internal training courses to promote continuous learning and to pass on crucial knowledge, expertise, innovation, quality awareness and experience within the organization.</p> | No significant difference |
| (V) Does the company comply with relevant regulations and international standards and formulate policies to protect the rights of consumers or customers and complaint procedures concerning the health and safety of the customers of the products and services, client privacy, marketing and labeling? | V | | The Company establishes the customer service management procedures and complaint processing rules to effectively provide immediate help for such matters. The Company values and protects the confidentiality and privacy of customer information. In 2023, there were no customer privacy rights violations or data loss incidents that harmed customers' rights and interests. | No significant difference |
| (VI) Does the company formulate supplier management policies, require the suppliers to comply with relevant rules regarding the environment, occupational safety and health, labor rights or other issues, and report the results of the implementation? | V | | <p>(I) If a supplier defies the Sustainable Development principles, it will be required to improve by a specified time; the partnership may be ceased anytime under serious violations.</p> <p>(II) Suppliers' quality is assessed once a year. The suppliers with grade B result shall be required to conduct CIP for continuous improvement, counselling and auditing activities.</p> | No significant difference |
| V. Does the company refer to international compilation standards or | V | | The Company has enacted the Sustainable Development Best Practice | The sustainability report |

| Promotional Items | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
| | Yes | No | Abstract Explanation | |
| guidelines to prepare the Sustainable Development report and other reports which disclose information other than financial information? Were the disclosed reports assured or verified by a third party? | | | Principles and added the Corporate Sustainable Development section on the Company website. The Company refers to international compilation standards or guidelines to prepare the Sustainable Development report. The report on Sustainable Development has been completed to disclose information pertaining to Sustainable Development. | for 2023 was planned to be verified by a third-party. |
| VI. If the Company has established the Sustainable Development principles based on “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: No significant difference | | | | |
| VII. Other important information to better understand the implementation of promoting sustainable development: <u>Caring for colleague & health improvement</u> Regularly arrange resident doctors in the factory to provide staff health and diet consultation; organize various health lectures, improve employee health knowledge; subsidize employees' influenza vaccination and take care of employees' health. The Company obtained the “Bronze Award for Epidemic Prevention” from the Taiwan Immunization Vision and Strategy (TIVS). <u>Holding a series of charitable events</u> Inviting employees to participate in charitable events, including purchasing products from sheltered workshops, endorsing products from environmentally friendly farming practices, and collecting used shoes to be sent to Africa for those in need. <u>Christmas gift-giving</u> The Company arranges a Christmas fund-raising event regularly, encourages colleagues from every division to donate Christmas gifts and supplies, and sends to remote elementary schools, sharing the happiness of Christmas with students. <u>Established the relaxation corner</u> Employing visually impaired massage therapist and setting up a massage corner on a regular basis to ease the pressure on employees and provided employment opportunities for the underprivileged. | | | | |

3.3.6 Execution Status of Climate-Related Information Disclosure for Listed and Over-the-Counter Companies:

| Item | Execution Status |
|--|--|
| 1. Board and management oversight of climate-related risks and opportunities | The Company's management identifies climate-related risks and opportunities, formulates subsequent responsive strategies and plans to make regular report to the board of directors in the future, under the supervision of the board. |
| 2. How identified climate risks and opportunities affect business, strategy, and finance (short-term, medium-term, long-term) | Based on materiality assessment, the Company has identified significant climate-related risks and opportunities, including transition risks (e.g., increased costs of greenhouse gas emissions), physical risks (e.g., water resource scarcity), and opportunities (e.g., development or expansion of low-carbon products and services). The short, medium, and long-term impacts include increased carbon fee, threats to processes and product supply due to water resource scarcity, and opportunities to increase orders and enter new markets through the development of new energy-efficient products and low-carbon services, thereby enhancing revenue. Additionally, strengthening climate adaptation capabilities can improve corporate resilience, enhance societal perception, and increase brand value. |
| 3. Impact of extreme weather events and transition actions on finance | As climate change intensifies, extreme weather conditions lead to uneven rainfall, and water resource scarcity may impact plant operations and manufacturing processes, consequently affecting production capacity and delivery times, which could impact revenue. In response to regulatory changes, companies will be subject to carbon fee. As fee rates change, the Company's carbon fee will also be affected. |
| 4. How the identification, assessment, and management process for climate risks is integrated into the overall risk management system | <p>The Company's risk management policies and procedures involve relevant business units in the identification and control of risks. Each risk management unit ensures legal compliance and oversees the risk management objectives. The audit department independently performs audit work to ensure the internal control operates effectively.</p> <p>In 2023, based on the four major risk categories: strategy, operations, finance, and hazards, the Company conducted a significant identification process. Climate change has been included as one of the long-term risks and will be comprehensively managed according to the aforementioned system.</p> |
| 5. Resilience against climate change risks evaluated through scenario analysis | The Company has not used scenario analysis to assess resilience to climate change risks. |
| 6. Description of transformation plans to address climate-related risks, including indicators and targets for identifying and managing physical and transition risks | The Company does not have a transition plan to manage climate-related risks. |

| Item | Execution Status |
|--|---|
| 7. Explanation of the basis for using internal carbon pricing as a planning tool | The Company has not used carbon pricing. |
| 8. Description of climate-related goals, including covered activities, greenhouse gas emission scope, planning period, annual progress, etc. | The Company has not set climate-related targets. |
| 9. Greenhouse gas inventory, confirmation status, reduction goals, strategies, and specific action plans | According to the sustainability roadmap, the Company is not required to disclose greenhouse gas inventory information until 2026. |

3.3.7 Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”

| Evaluation Item | Implementation Status | | | Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| <p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company establish ethical corporate management policies approved by the board of directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p> <p>(II) Does the company establish risk assessment procedures of unethical conduct, analyze and assess operation activities more likely involving unethical conduct to accordingly establish policies to prevent unethical conduct which include but are not limited to the precautions stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(III) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, commit to implementation of the policies, regularly review and revise the aforementioned policies?</p> | V | | <p>(I) The Company passed the "Procedures for Ethical Management and Guidelines for Conduct" at the board meeting on December 24, 2012 and approved the revised versions at the board meetings held on March 6, 2014, March 20, 2015, and March 19, 2020. The Company passed the “Ethical Code of Conduct” at the board meeting on December 24, 2012 and approved the revisions at the board meetings held on March 6, 2014, March 17, 2016, and March 23, 2021.</p> <p>(II) Procedures for Ethical Management and Guidelines for Conduct: Please refer to pages 169 to 175.</p> <p>(III) Procedures for Ethical Management and Guidelines for Conduct: Please refer to pages 169 to 175.</p> | No significant difference |
| <p>II. Fulfill operations integrity policy</p> <p>(I) Does the company evaluate business partners’ ethical records and</p> | V | | <p>(I) Before establishing a business relationship with others, the Company first evaluates the legality, integrity management policies</p> | No significant |

| Evaluation Item | Implementation Status | | | Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| <p>include ethics-related clauses in business contracts?</p> <p>(II) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of corporate integrity and report the ethical corporate management policies, policies to prevent unethical conduct and the implementation of supervision to the board of director at least once a year?</p> <p>(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(IV) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and is the implementation of the policies to prevent unethical conduct audited by internal auditors who plan according to the assessment of risks of unethical conduct or by CPAs?</p> <p>(V) Does the company regularly hold internal and external educational trainings on operational integrity?</p> | | | <p>of agents, suppliers, customers or other business contacts, and whether there have been records of dishonesty, and will require integrity management in contract terms.</p> <p>(II) In order to strengthen the company's integrity management, the Administrative Management Division is in charge of formulating and supervising an integrity management strategy. At the same time, it is responsible for assisting managers in formulating and supervising the execution of the integrity management policy and preventive plan in order to ensure the integrity management policy is implemented. On December 20, 2023, this Division reported to the Board of Directors on its implementation status.</p> <p>To ensure compliance by the Company respective suppliers, the suppliers or third parties are required to sign an Integrity Pledge. There is also a whistleblowing mechanism with the following units and channels: 1. Spokesperson and Acting Spokesperson: to receive reports from external personnel such as shareholders and investors. E-mail address: ir@giantplus.com; 2. Internal Audit Office, Intellectual and Legal Affairs Office, and Administration Office: to receive reports from directors, managers, general employees, and other internal personnel and suppliers. The channels for reporting are “Employee Suggestion Mailboxes” or E-mail address: governance@giantplus.com.</p> <p>Internally, the Company promotes all employees to sign integrity pledges and confidentiality agreements and includes “Integrity Management Policy and Confidentiality Obligations” in new employee training. To reinforce employees' legal concepts and improve their legal knowledge and judgment, the Legal Department provides monthly “Legal Tips” on the intranet.</p> <p>(III) The Company has a whistleblowing mechanism with the following units and reporting channels: 1. Spokesperson and</p> | <p>difference</p> |

| Evaluation Item | Implementation Status | | | Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
| | Yes | No | Abstract Illustration | |
| | | | <p>Acting Spokesperson: to receive reports from external personnel such as shareholders and investors. E-mail address: ir@giantplus.com; 2. Internal Audit Office, Intellectual Property and Legal Affairs Office, and Administration Office: Receive reports from directors, managers, general employees, and other internal personnel and suppliers. The channels for reporting are “Employee Suggestion Mailboxes” or E-mail address: governance@giantplus.com.</p> <p>(IV) The Company has established a complete and effective accounting system and entrusted qualified accountants to regularly check the financial statements. Integrity management has been listed as one of the internal control degrees, through the self-assessment of the unit of responsibility and the evaluation of the audit unit to check the implementation.</p> <p>(V) The Company promotes the essence and importance of integrity and clean business on a regular basis, and all employees, including new hires, are encouraged to sign an integrity pledge.</p> | |
| <p>III. Operation of the integrity channel</p> <p>(I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(II) Does the company establish standard operating procedures, measures ought to be taken afterwards, relevant confidentiality measures on investigating accusation cases?</p> <p>(III) Does the company provide proper whistleblower protection?</p> | V | | <p>(I) The Company intends to establish internal and external reporting channels and handling procedures by establishing the “Rules for Handling Cases of Prosecution of Illegal, Unethical or Dishonest Acts” as approved by the Board of Directors on December 23, 2022. Receiving units and reporting channels: 1. Spokesperson and Acting Spokesperson: to receive reports from external personnel such as shareholders and investors. E-mail address: ir@giantplus.com; 2. Internal Audit Office, Intellectual Property and Legal Affairs Office, and Administration Office: Receive reports from directors, managers, general employees, and other</p> | No significant difference |

| Evaluation Item | Implementation Status | | | Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
| | Yes | No | Abstract Illustration | |
| | | | <p>internal personnel and suppliers. The channels for reporting are “Employee Suggestion Mailboxes” or E-mail address: governance@giantplus.com.</p> <p>(II) Upon receipt of a reported case, the receiving unit shall report to the president to assign the unit in charge of investigation and verification. If the case is substantiated, it will be handled in accordance with the Company's internal disciplinary regulations; if no concrete proof is discovered, the case will be closed until further inquiry. The Company shall confidentially handle the reported case, with independent channels for investigation and verification. The Company shall use all reasonable efforts to protect the whistleblower, whose name shall be kept strictly confidential.</p> <p>(III) In order to prevent unfair treatment or retaliation, the Company shall uphold the confidentiality and protection of whistleblowers or other people involved in the investigation. Personal experienced unfair treatment, revenge, or similar situations due to reporting or participating in an investigation could be responding to the original receiving office.</p> | |
| <p>IV. Strengthening information disclosure</p> <p>(I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p> | V | | <p>(I) Relevant financial statements shall be prepared in accordance with the regulations and the competent authorities, and various financial and business information shall be announced on the public information sites and the official website of the Company to enhance the transparency of the Company's operations. It also disclosed the annual sustainable development report on the Company's official website, revealing the content of the integrity management code and promoting its effectiveness.</p> | No significant difference |

| Evaluation Item | Implementation Status | | | Deviations from “the Ethical Corporate Management Best- Practice Principles for TWSE/TPEX Listed Companies’ and Reasons |
|--|-----------------------|----|-----------------------|--|
| | Yes | No | Abstract Illustration | |
| V. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No significant difference | | | | |
| VI. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: (I) Please refer to the sustainable development section on the official website. (II) In order to implement the integrity management policy, the Company requires new employees to sign the “Integrity Commitment Letter” at the time of registration, and expects all employees to understand and value the Company's ethical standards. | | | | |

3.3.8 Corporate Governance Guidelines and Regulations

Please refer to pages 140 to 160 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

3.3.9 Other Important Information Regarding Corporate Governance: None.

3.3.10 Internal Control System

1. Statement of internal control system: please refer to the pages 176 to 177.
2. Hire an accountant to audit the Company's internal control system and disclose the audit report made by accountants: None.

3.3.11 Lawful punishment inflicted on the Company, and/or disciplinary action taken by the Company against its employees for violating internal regulations in the latest year and up to the printing date of this Annual Report: None.

3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

1. Important resolutions by the Shareholders' Meeting for 2023 prior to the deadline of annual report publication

(1) Jun 30, 2023 shareholders' regular meeting:

A. 2022 Business Report and Financial Statements

Implementation: The present issue is duly resolved for 95.64% of the aggregate total votes.

B. 2022 Earning appropriation

Implementation: The present issue is duly resolved for 95.70% of the aggregate total votes.

C. Amendment to the "Articles of Incorporation"

Implementation: The amendment was approved at the shareholders' meeting with 95.70% voted in favor, and the amended Articles of Incorporation took effect on June 30, 2023.

D. Lifting the prohibition on directors from participation in competitive business

| Director | List of Business Activities |
|--|---|
| TOPPAN HOLDINGS Inc. TOMOBIE Minako | 1. General Manager of Accounting Department, TOPPAN INC. Electronics Division 2. Auditor, TOPPAN ELECTRONICS PRODUCTS CO., LTD. 3. Director, ORTUSTECH (MALAYSIA) SDN. BHD. |

Implementation: The resolution to lift the prohibition on the director, TOMOBIE Minako, from participation in competitive business was approved with 95.69% voted in favor at the shareholders' meeting.

E. By-election of independent directors

The election result: The list of elected independent directors for the tenth by-election of the Company is as follows:

| Title | Name | Number of votes exercisable |
|----------------------|-------------|-----------------------------|
| Independent Director | PO-TSUN LIU | 244,647,194 |

2. Important resolutions by the Board Meeting for 2023 prior to the deadline of annual report publication

(1) March 15, 2023

- A. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- B. Greenhouse gas inventory and verification
- C. Report on the Results of Evaluation of the Board of Directors' Performance in 2022
- D. Internal Audit Report for the fourth quarter of 2022
- E. Operation Performance Report for the first quarter of 2023
- F. The distribution of directors' and employees' remuneration for 2022
- G. 2022 Business Report
- H. 2022 Internal Control Statement
- I. Appointment of the head of corporate governance
- J. Consolidated and Parent Company Only Separate Financial Statements for 2022
- K. 2022 Earning appropriation
- L. Replacement of CPAs in 2023
- M. Amendment to the “Articles of Incorporation”
- N. By-election of an independent director
- O. Date, location and proposal of shareholders’ meeting in 2023
- P. Proposal of shareholders' right to receive proposals at the regular shareholders' meeting
- Q. Regular shareholders' meeting accepting shareholder nominations for independent director candidates
- R. GIANTPLUS (SAMOA) HOLDING CO., LTD.’s financing to KGO

(2) May 10, 2023

- A. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- B. Reports on greenhouse gas information inventory and verification
- C. Report on the review of shareholders' proposals at the shareholders' meeting in 2023
- D. Internal Audit Report for the first quarter of 2023
- E. Operation Performance Report for the second quarter of 2023
- F. Discussion of Manager's Bonus for Dragon Boat Festival in 2023
- G. Proposal for special bonus of the fifth remuneration committee for the committee member, JIA-MO HUANG
- H. Consolidate financial statement for the first quarter of 2023
- I. Review of the nomination list of independent director candidates for the 2023 general meeting of shareholders
- J. Lifting the prohibition on directors from participation in competitive business
- K. Date, location and proposal of shareholders' meeting in 2023 (Additional Report)
- L. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD.
- M. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO
- N. Renewal of bank credit contract

(3) Jun 30, 2023

- A. Re-appointment of members of the remuneration committee
- B. Re-appointment of members of the risk management committee

(4) August 9, 2023

- A. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- B. Reports on greenhouse gas information inventory and verification
- C. The Company's information security reports
- D. Reports on the results of the ninth corporate governance evaluation in 2022
- E. Internal Audit Report for the second quarter of 2023
- F. Operation Performance Report for the third quarter of 2023
- G. Manager's salary adjustment in 2023

- H. The Mid-Autumn Festival Bonus Issue for Managers in 2023
- I. 2023 Japanese resident managers' salary adjustment and mid-year bonus
- J. Consolidated financial report for the second quarter of 2023
- K. Setting the reference date of ex-dividend
- L. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD.
- M. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO
- N. Renewal of bank credit contract

(5) November 8, 2023

- A. Greenhouse gas inventory and verification
- B. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- C. Internal Audit Report for the third quarter of 2023
- D. Operation Performance Report for the fourth quarter of 2023
- E. Annual audit plans of 2024
- F. Consolidated financial report for the third quarter of 2023
- G. Amendment to the “General Principles for Pre-Approval of Uncertain Service Policies”
- H. Amendment to the “Management Procedures for Internal Significant Information Processing and Prevention of Insider Transactions”
- I. Amendment to the “Operating Procedures for Specific Companies and Its Group Enterprises and Transactions with Related Parties”
- J. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD.

(6) December 20, 2023

- A. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- B. Report on the implementation and risk management of the Intellectual Property Plan in 2023
- C. Implementation report on risk management
- D. Qualification inspection report of independent directors during their tenure of office

- E. External performance evaluation report of the Board of Directors in 2023
- F. Report on the implementation of the “Company's integrity management and measures taken”
- G. Formulating sustainable development policies and specific implementation plans
- H. 2023 Manager's Year End Bonus Payment
- I. 2023 Year-end Bonus Payment for Japanese-Residents Managers
- J. 2023 Directors and Employees Remuneration Distribution Ratio and Distribution Method Proposal
- K. 2024 Operating Policies and Financial Forecast
- L. Amendment to the “Evaluation Measures for the performance of the Board of Directors”
- M. Amendment to the “Operating Procedures for Specific Companies and Its Group Enterprises and Transactions with Related Parties”
- N. Selling to the related party, TOPPAN Inc.
- O. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to KGO
- P. GIANTPLUS (SAMOA) HOLDING CO., LTD.'s financing to GIANTPLUS TECHNOLOGY CO., LTD.
- Q. Renewal of bank credit contract
- R. Appointment of presidents
- S. Lifting the prohibition on managers from participation in competitive business

(7) March 14, 2024

- A. Report on the Company and its subsidiaries engaging in derivatives financial commodity transactions
- B. Greenhouse gas inventory and verification
- C. Report on the Results of Evaluation of the Board of Directors' Performance in 2023
- D. Internal Audit Report for the fourth quarter of 2023
- E. Operation Performance Report for the first quarter of 2024
- F. Company Organizational Change Report
- G. The distribution of directors' and employees' remuneration for 2023
- H. Adjustment proposal for supervisors' allowance
- I. 2023 Business Report

- J. 2023 Annual Internal Control Effectiveness Assessment and Internal Control Statement
- K. Consolidated and Parent Company Only Separate Financial Statements for 2023
- L. 2023 Earning appropriation
- M. Amendment to the “Articles of Incorporation”
- N. Amendment to the “Corporate Governance Best Practice Principles”
- O. Amendment to the “Rules and Procedures for Board of Directors”
- P. Amendment to the “Audit Committee Charter”
- Q. Amendment to the “Job Authorization Procedures”
- R. Lifting the prohibition on directors from participation in competitive business
- S. Date, location and proposal of shareholders’ meeting in 2024
- T. Proposal of shareholders' right to receive proposals at the regular shareholders' meeting
- U. GIANTPLUS (SAMOA) HOLDING CO., LTD.’s financing to KGO
- V. GIANTPLUS (SAMOA) HOLDING CO., LTD.’s financing to GIANTPLUS TECHNOLOGY CO., LTD
- W. GIANTPLUS HOLDING L.L.C.’s financing to GIANTPLUS TECHNOLOGY CO., LTD.

3.3.13 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.3.14 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, President, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D

April 30, 2024

| Title | Name | Date of Appointment | Date of Termination | Reason for Resignation or dismissal |
|------------------------------|-----------------|---------------------|---------------------|-------------------------------------|
| Head of Corporate Governance | NAKAMURA Koji | August 1, 2020 | January 1, 2024 | Work Adjustment |
| Head of Corporate Governance | CHIH-TENG HUANG | January 1, 2021 | March 16, 2023 | Work Adjustment |
| Research Director | KAMIO TOMOMI | June 1, 2021 | April 1, 2023 | Resignation |
| Research Director | JIA-XING CHEN | April 1, 2023 | April 1, 2024 | Work Adjustment |

3.3.15 Information Regarding the Company's Audit Fee and Independence

The amounts of audit fees and non-audit fees paid to CPA, affiliated firms and associates, and the content of non-audit services:

Unit: NT\$ thousands

| Accounting Firm | Name of CPA | Period covered by CPA's Audit | Audit Fees | Non-audit fees | Total | Remark |
|-----------------|--------------|--------------------------------------|------------|----------------|-------|--------|
| KPMG | YI-CHUN CHEN | January 1, 2023 to December 31, 2023 | 4,800 | 1,340 | 6,140 | |
| | HSIU-YI LIN | | | | | |

Note: Non-audit fees, enumerate based on the items of services. In case of "others" in non-audit fees which is up to 25% of the aggregate total, the Company should enumerate the contents of services in the remarks: KPMG's non-audit fees include tax compliance audit, transfer pricing, payroll checklist, and Audit Instruction checking services.

1. Change the accounting firm and the audit fees paid for the year was less than the amount paid in the previous year, the amount of audit fees before and after the change and the reasons for change should be disclosed: None.
2. Audit fee reduced for more than 15% year over year, the reduced amount, proportion, and reason should be disclosed: None.

3.4 Replacement of CPA: None

3.5 The Company's Chairman, President, and managers in charge of its finance or accounting operations held positions in the Company's independent auditing firm or its affiliates in the most recent year: None.

3.6 Changes in Shareholding of Directors, Managers and Major Shareholders holding more than ten percent of shares, for the most recent fiscal year and up to the printing date of the annual report.

3.6.1 Changes in Shareholding by Directors, Supervisors, Management and Shareholders with 10% Shareholdings or More

Unit: Shares

| Title | Name | 2023 | | As of April 30, 2024 | |
|-------------------------------------|--|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| | | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Shareholders with 10% shareholdings | TOPPAN HOLDINGS Inc. | - | - | - | - |
| Chairman | TOPPAN HOLDINGS Inc. TAMURA Takayuki | - | - | - | - |
| Director and President | TOPPAN HOLDINGS Inc. SUGIMOTO Katsumi (Note 1) | - | - | - | - |
| Director | TOPPAN HOLDINGS Inc. TOMOBE Minako (Note 2) | - | - | - | - |
| Director | TOPPAN HOLDINGS Inc. NUMAZAWA Sadahiro | - | - | - | - |
| Director | TOPPAN HOLDINGS Inc. SAKAI Hiroyuki (Note 3) | - | - | - | - |
| Director | TOPPAN HOLDINGS Inc. NAKAMURA Koji (Note 4) | - | - | - | - |
| Independent Director | JAU-SHIN HON | - | - | - | - |
| Independent Director | JIA-LI SHIH | - | - | - | - |
| Independent Director | PO-TSUN LIU (Note 5) | - | - | - | - |
| Senior Vice President | SUGIMOTO Katsumi (Note 1) | - | - | - | - |
| Vice President | MU-SHENG LU (Note 6) | - | - | - | - |
| Vice President | YI-TSAI HSU | - | - | - | - |
| Vice President | KAMIO TOMOMI (Note 7) | - | - | - | - |
| Vice President | QING-HUA WU (Note 8) | (8,000) | - | (8,000) | - |

Unit: Shares

| Title | Name | 2023 | | As of April 30, 2024 | |
|--|------------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| | | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Senior Vice President | JIA-CHIUAN PU (Note 9) | - | - | - | - |
| Vice President | YAMAMOTO Kozo (Note 10) | - | - | - | - |
| Assistant Vice President | JIA-XING CHEN (Note 6) | - | - | - | - |
| Assistant Vice President | YI-YAN LIAO | - | - | - | - |
| Assistant Vice President | QI-WAN CHEN (Note 6) | - | - | - | - |
| Assistant Vice President | CHENG-KUANG CHAN (Note 6) | - | - | - | - |
| Assistant Vice President | MIN-RONG LI (Note 11) | - | - | - | - |
| Assistant Vice President | YU-CHUNG HSIEH (Note 12) | - | - | - | - |
| Head of Finance and Accounting Head of Corporate Governance | DE-QI LIU (Note 13) | - | - | - | - |
| Head of Corporate Governance | CHIH-TENG HUANG (Note 14) | - | - | - | - |

Note 1: Inaugurated on January 01, 2024.

Note 2: Inaugurated on April 01, 2023.

Note 3: Dismissed on April 01, 2023.

Note 4: Dismissed on January 01, 2024.

Note 5: Elected on June 30, 2023.

Note 6: Dismissed on March 31, 2024.

Note 7: Resigned on March 31, 2023.

Note 8: Resigned on April 30, 2023.

Note 9: Resigned on March 15, 2024.

Note 10: Resigned on March 31, 2024.

Note 11: Inaugurated on April 01, 2024.

Note 12: Resigned on March 29, 2024.

Note 13: Took over as Head of Corporate Governance on March 16, 2023.

Note 14: Resigned on March 16, 2023.

3.6.2 Share Transfer or Pledge of Directors, Supervisors, Managers and Shareholders with More than 10% Shareholdings with Related Parties: None.

3.7 Relationship among the Top Ten Shareholders, information regarding their relationships with each other as related parties under Financial Accounting Standards Board (FASB) Statement No. 6, or as relatives within the second degree of consanguinity or affinity

April 30, 2024

| Item | Name | Current Shareholding | | Spouse's/ children's Shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees | | Remarks |
|------|--|----------------------|--------|---|---|---|---|---|----------------------|---------|
| | | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| 1 | TOPPAN HOLDINGS Inc. | 152,981,757 | 34.65% | - | - | - | - | YUANTA COMMERCIAL BANK in custody for the investment account of TOPPAN HOLDINGS Inc. | TOPPAN HOLDINGS Inc. | |
| 2 | Yuanta Commercial Bank acting as custodian for the investment account of TOPPAN HOLDINGS Inc. | 81,500,000 | 18.46% | - | - | - | - | TOPPAN HOLDINGS Inc. | | |
| 3 | Citibank Taiwan Ltd. acting as custodian for the investment account of Polunin Emerging Market Funds | 8,833,671 | 2.00% | - | - | - | - | N/A | N/A | |

April 30, 2024

| Item | Name | Current Shareholding | | Spouse's/ children's Shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees | | Remarks |
|------|--|----------------------|-------|---|---|---|---|---|--------------|---------|
| | | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| 4 | CHENG-WEN LI | 2,665,000 | 0.60% | - | - | - | - | N/A | N/A | |
| 5 | J.P. MORGAN SECURITIES PLC | 1,595,867 | 0.36% | - | - | - | - | N/A | N/A | |
| 6 | Hefeng United Co., Ltd. | 1,500,000 | 0.34% | - | - | - | - | N/A | N/A | |
| 7 | QING-JIANG LI | 1,194,000 | 0.27% | - | - | - | - | N/A | N/A | |
| 8 | HSBC Bank (Taiwan) Limited acting as custodian for the investment account of Acadian Emerging Markets Small Cap Equity Fund LLC | 1,025,000 | 0.23% | - | - | - | - | N/A | N/A | |
| 9 | Citibank Taiwan Ltd. acting as custodian for the investment account of UBS Europe SE | 976,566 | 0.22% | - | - | - | - | N/A | N/A | |
| 10 | BI-YUN KE | 830,000 | 0.19% | - | - | - | - | N/A | N/A | |

3.8 The Company, Its Directors, Supervisors, Managers, and Businesses Directly or Indirectly Controlled by The Company, Shall Aggregate Their Shareholdings in The Same Invested Enterprise and Calculate The Comprehensive Shareholding Percentage

Unit: 1,000 Shares Dec. 31, 2023

| Affiliated Enterprises (Note) | Ownership by the Company | | Direct or Indirect Ownership by Directors or Managers | | Total Ownership | |
|-------------------------------------|--------------------------|------|---|---|-----------------|------|
| | Shares | % | Shares | % | Shares | % |
| GIANTPLUS (SAMOA) HOLDING CO., LTD. | 44,000 | 100% | - | - | 44,000 | 100% |

Note: The long-term investment of the Company.

IV. Fundraising Situation

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

As of April 30, 2024

| Month/ Year | Par Value (NT\$) | Authorized Capital | | Paid-in Capital | | Remark | | |
|-------------------|------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|--|--|-------|
| | | Shares (thousands) | Amount (NT\$ thousands) | Shares (thousands) | Amount (NT\$ thousands) | Sources of Capital (NT\$ thousands) | Capital Increased by Assets Other than Cash | Other |
| September 2014 | 10 | 650,000 | 6,500,000 | 441,545 | 4,415,449 | The second domestic unsecured convertible bond NT\$690,000 | NA | Note |

Note: Ching Shou Shang Zi No.10301188270 on September 16, 2014.

B. Type of Stock

As of April 30, 2024
Unit: shares

| Share Type | Authorized Capital | | | Remarks |
|-----------------------------------|--------------------|-----------------|--------------|---|
| | Issued Shares | Unissued Shares | Total Shares | |
| Registered common shares | 288,563,094 | 208,455,149 | 650,000,000 | Listed shares |
| privately placed common shares | 152,981,757 | | | Public issuance has yet to be conducted as of the date. |

C. Information relating to shelf registration system: None.

4.1.2 Shareholding structures

As of April 30, 2024
Unit: shares

| Item | Government Agencies | Financial Institutions | Other Juridical Persons | Domestic Natural Persons | Foreign Institutions & Natural Persons | Total |
|---------------------------|------------------------|---------------------------|----------------------------|--------------------------------|--|-------------|
| Number of Shareholders | 0 | 0 | 34 | 27,153 | 67 | 27,254 |
| Shareholding (shares) | 0 | 0 | 2,964,723 | 184,819,280 | 253,760,848 | 441,544,851 |
| Percentage | 0.00% | 0.00% | 0.67% | 41.85% | 57.48% | 100.00% |

4.1.3 Shareholding Distribution Status

A.Common Shares

As of April 30, 2024
Unit: shares; Par value: NT\$10

| Class of Shareholding (Unit: Share) | Number of Shareholders | Shareholding (Shares) | Percentage |
|--|---------------------------|--------------------------|------------|
| 1 ~ 999 | 5,627 | 422,607 | 0.10% |
| 1,000 ~ 5,000 | 15,209 | 35,329,632 | 8.00% |
| 5,001 ~ 10,000 | 3,301 | 28,051,925 | 6.35% |
| 10,001 ~ 15,000 | 842 | 10,894,815 | 2.47% |
| 15,001 ~ 20,000 | 768 | 14,710,854 | 3.33% |
| 20,001 ~ 30,000 | 550 | 14,636,615 | 3.31% |
| 30,001 ~ 40,000 | 258 | 9,394,050 | 2.13% |
| 40,001 ~ 50,000 | 205 | 9,760,307 | 2.21% |
| 50,001 ~ 100,000 | 295 | 21,463,884 | 4.86% |
| 100,001 ~ 200,000 | 119 | 17,736,042 | 4.02% |
| 200,001 ~ 400,000 | 47 | 13,347,901 | 3.02% |
| 400,001 ~ 600,000 | 15 | 7,119,458 | 1.61% |
| 600,001 ~ 800,000 | 8 | 5,574,900 | 1.26% |
| 800,001 ~ 1,000,000 | 2 | 1,806,566 | 0.41% |
| 1,000,001 ~ | 8 | 251,295,295 | 56.92% |
| Total | 27,254 | 441,544,851 | 100.00% |

Note: As of April 30, 2024, the company has not issued special shares.

4.1.4 List of Major Shareholders

| As of April 30, 2024 Unit: shares | | |
|---|--------------|------------|
| Shareholder's Name | Shareholding | |
| | Shares | Percentage |
| TOPPAN HOLDINGS Inc. | 152,981,757 | 34.65% |
| Yuanta Commercial Bank acting as custodian for the investment account of TOPPAN HOLDINGS Inc. | 81,500,000 | 18.46% |
| Citibank Taiwan Ltd. acting as custodian for the investment account of Polunin Emerging Market Funds | 8,833,671 | 2.00% |
| CHENG-WEN LI | 2,665,000 | 0.60% |
| J.P. MORGAN SECURITIES PLC | 1,595,867 | 0.36% |
| Hefeng United Co., Ltd. | 1,500,000 | 0.34% |
| QING-JIANG LI | 1,194,000 | 0.27% |
| HSBC Bank (Taiwan) Limited acting as custodian for the investment account of Acadian Emerging Markets Small Cap Equity Fund LLC | 1,025,000 | 0.23% |
| Citibank Taiwan Ltd. acting as custodian for the investment account of UBS Europe SE | 976,566 | 0.22% |
| BI-YUN KE | 830,000 | 0.19% |

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$ for items other than weighted average shares and return on investment

| Items | 2022 | 2023 | As of April 30, 2024 (Note 8) |
|--|---------|---------|----------------------------------|
| Market Price per Share (Note 1) | | | |
| Highest Market Price | 14.30 | 17.40 | 15.30 |
| Lowest Market Price | 9.55 | 11.95 | 12.50 |
| Average Market Price | 12.16 | 14.66 | 14.18 |
| Net Worth per Share (Note 2) | | | |
| Before Distribution | 17.62 | 17.93 | 18.03 |
| After Distribution | 17.42 | 17.83 | 18.03 |
| Earnings per Share | | | |
| Weighted Average Shares | 441,545 | 441,545 | 441,545 |
| Earnings Per Share (Note 3) | 1.39 | 0.53 | 0.15 |
| Dividends per Share | | | |
| Cash Dividends | 0.2 | 0.1 | - |

Unit: NT\$ for items other than weighted average shares and return on investment

| Items | 2022 | 2023 | As of April 30, 2024 (Note 8) |
|--|-------|--------|----------------------------------|
| Stock Dividends | | | |
| • Dividends from Retained Earnings | - | - | - |
| • Dividends from Capital Surplus | - | - | - |
| Accumulated Undistributed Dividends (Note 4) | - | - | - |
| Return on Investment | | | |
| Price / Earnings Ratio (Note 5) | 8.75 | 27.4 | 94.53 |
| Price / Dividend Ratio (Note 6) | 60.82 | 146.57 | - |
| Cash Dividend Yield Rate (Note 7) | 0.02 | 0.01 | - |

Note 1: The highest and lowest market prices of common stock for each year are listed, and the average market price for each year is calculated based on the value and volume of transactions for each year.

Note 2: Using the number of shares outstanding at the end of the year as the basis for the allocation resolved by the board of directors or the following year's shareholders' meeting.

Note 3: Adjustments to the before and after figures on retroactive adjustments to stock dividends, such as required for gratuitous allotment, shall be duly noted.

Note 4: If the terms of the equity securities' issuance stipulate that unpaid dividends for the current year may be accumulated and paid in the year with earnings, the dividends accumulated and unpaid as of the current year shall be disclosed separately.

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

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

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

Note 8: The net value per share and earnings per share shall be presented as of the most recent quarterly report audited (reviewed) by the accountants as of the annual report's date. The remaining columns should fill in information for the current year as of the annual report's date.

4.1.6 Dividend Policy and Implementation Status

The Company is in a growth stage. In order to consider the future business growth plan and to meet the shareholders' demand for cash inflow, the principle of cash dividends shall be at least 10% among the total dividends paid/distributed.

The Board of Directors of the Company resolved on March 14, 2024 to distribute a dividend of \$0.1 per share for 2023.

4.1.7 Effect of stock grants planned at current shareholders' meeting on business performance and EPS:

The Company has not proposed any gratis allotment of shares in 2023, which would have no impact on the Company's operating results, earnings per share or return on investment of shareholders.

4.1.8 Employee Bonus and Directors' Remuneration

- A.** Percentage or range of employee profit sharing and remunerations for directors and supervisors specified in the articles of incorporation:

1. No less than 1% as employee bonus; and
2. No more than 1.5% as remuneration to directors;

Employees' compensation including subsidiaries' employees may be distributed through issuance of new shares of the Company or cash. The qualification shall be regulated by the Board of Director.

The issue of bonus to employee and board of directors shall be reported to the annual shareholders' meeting. If there is accumulated deficit, the profit has to be allocated to offset first.

- B.** The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: None.
- C.** Employee profit and remunerations for directors and supervisors' information passed by the board in this year:

1. The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

In 2023, the Company made a profit of NT\$276,875,359, and provided 5% of the remuneration to employees of NT\$13,843,768 and 1% of the remuneration to directors of NT\$2,768,754. All payments were made in cash.

2. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None.
- D. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: In 2022, the Company made a profit of NT\$654,351,826, and provided 5% of the remuneration to employees of NT\$32,717,591 and 1% of the remuneration to directors of NT\$6,543,518. All payments were made in cash. There was no difference between the amount resolved and the actual distribution of the remuneration to employees and directors in 2022.

- 4.1.9 Buyback of Common Stock: None.**
- 4.2 Handling Of Corporate Bonds: None.**
- 4.3 Handling Of Preferred Shares: None.**
- 4.4 Handling Of Global Depositary Receipts: None.**
- 4.5 Employee Stock Options Handling Situation: None.**
- 4.6 Handling Situation Of Restricted Employee Equity Grants: None.**
- 4.7 Handling Of Issuance Of New Shares For Mergers Or Acquisitions Of Other Company's Shares: None.**
- 4.8 Execution Status Of Capital Utilization Plan: None.**

V. Operational Overview

5.1 Business Activities

5.1.1 Business Scope

Giantplus Technology is known for its high-quality, reliable and customizable supplier in the small- and medium-sized TFT-LCD industry. To strengthen the Company's core competence and market position, Giantplus Technology has been successful in focusing on the niche market to provide product portfolio optimization, and further cultivating high-profile markets. Nowadays, Giantplus Technology is recognized as a strategic partner in both industrial and automotive markets.

Revenue composition in 2023

| Unit: NT\$ thousands | | |
|----------------------|---------------------|--------------------|
| Major Divisions | Total Sales in 2023 | (%) of Total Sales |
| LCD module | 7,672,403 | 84.85% |
| LCD panel | 542,702 | 6.00% |
| Open Cell | 619,916 | 6.86% |
| Others | 207,094 | 2.29% |
| Total | 9,042,115 | 100.00% |

For the main business scope of the subsidiaries of the Company, please refer to the information of each company in “VIII. Special Disclosure” of this annual report on page 136.

The main products of Giantplus Technology are TFT-LCD liquid crystal display module: industrial displays, marine and aviation displays, handheld terminals, medical device meters, home appliances, wearable devices, satellite navigation systems, automotive displays, electric vehicle charging pile screen, educational game machine, privacy displays, electronic tags, point-of-sale devices, graphing/scientific calculators, printers, digital camera, etc.

The Company plans to develop new products in the niche market, providing customized, high-variety low-volume production and sales services. In addition to retaining existing customers, the Company continues to advance panel development with a focus on high reliability, wide viewing angle, high contrast, high brightness, fast response time and other technical capabilities, and new products for non-traditional TFT panel applications, such as OTFT, X-Ray, privacy panels, etc. to expand new niche markets, new customers and new applications.

5.1.2 Industry Overview

1. Current situation and development of industry

The global TFT-LCD are mainly produced in Asia. Japan, South Korea, Taiwan and China occupy the global TFT-LCD production capacity. Through several industry cycles and revamp, the dynamic has shifted to value competition from size competition. The modern panel capacity is highly concentrated, allowing no entry for new competitors, with the Chinese government starting to restrain subsidy, which both showed panel quotes were not expected to be pressured to be lowered due to imbalance between supply and demand as they were before. Selling at discounted price below cost in the panel industry cycle would be unlikely.

In 2023, the consumer market has yet to fully recover, with panel prices showing only a slight rebound. Demand for certain models has increased while others have declined. Demand for LCD TVs, laptops, LCD monitors, and smartphones has decreased, while demand for smartwatches, automotive, AR/VR/MR, and e-paper products has increased.

In recent years, the panel industry has experienced fluctuations, mainly due to the impact of the pandemic and factory closures. South Korea has significantly shut down LCD factories, and Taiwan's major panel manufacturers are also set to close one factory each by the end of the year, leading to an overall reduction in panel capacity. The annual demand growth rate is approximately 2.2%, but there has been a rare occurrence of a 1% decline in production capacity, indicating a healthier direction for the overall LCD supply-demand situation.

The overall economic situation in 2023 remains uncertain. Despite ongoing improvements in inventory, major brands are still relatively conservative in their procurement attitudes compared to previous years.

2. Association of upstream, mid-stream, and downstream industries

The industrial structure of LCD can be divided into upstream: the raw material components, mid-stream: the manufacturing of liquid crystal display panel, and downstream: liquid crystal display application products. The industrial structure is listed as follows:

| | |
|------------|--|
| Upstream | Glass substrate, photomask, color filter, polarizing plate, light guide plate, backlight module, liquid crystal material, driver IC, etc. |
| Mid-stream | LCD panel, LCD module, etc. |
| Downstream | Large size panel: LCD TVs, notebook computers, desktop computers, tablets, digital signage, etc. Small and medium size panel: Smart phones, feature phones, digital cameras, industrial panels, automotive panels, printers, electronic tags, handheld terminals, home appliances, wearable device, medical device meters and other applications. |

3. Development trend of products and Market competition situation

(1) Development trend of products

- TFT-LCD products can be divided into consumer market and niche market based on the application. The consumer panel's quoted price often varies with the changes in the industry's supply and demand and the overall economic environment. The product life cycle is also determined by the end market consumer behavior. In order to stimulate consumption, many consumer products continue to innovate, so the average life cycle of consumer products is shorter. On the other hand, the niche-type products have a relatively longer life cycle, and the business model is B-to-B. Because the development/certification is time-consuming and the orders typically come in small numbers with various models, the panel quoted price is less affected by the industry supply and demand.
- Application for large size panel:

The LCD TVs' market calls for ultra-narrow bezel, high resolution, 4K and 8K, smart connectivity, energy-saving and other functionality. As next-generation panel, Gen 8.5 and 10.5, begin production and become more mature, the mainstream size for TV panels also shifts. Benefiting from the high economic value of 55 and 65 inches panel cutting, the total shipping volume of TV panels over 50 inches has reached one-third of the total shipment.

Moreover, the shipment of PC display, squeezed out of the market by smart portable devices, is gradually decreasing, and the manufacturers employ differentiation strategies, turning focus to high resolution and high refresh rate with no afterimage to promote the added value, in addition, taking user experience into account, emphasizing on ergonomics in product design, adopting curved displays and actively entering the gaming niche market. With the increase in demand from pandemic derived "stay-at-home economy," the growth in gaming display market is expected to continue.

As notebooks are becoming lighter, and thinner and more energy-saving, there is a new niche market for gaming notebooks with large size, high resolution and refresh rate. To enhance market penetration, manufacturers have recently been introducing 2-in-1 notebooks with touch screen and detachable keyboard, combining notebooks and tablets, to attract more high-end and business consumers. Furthermore, in terms of specification upgrades, as the narrow-bezel technology becomes more mature, the 16:10 narrow-bezel full screen will replace 16:9 and become the mainstream specification. It is expected that the penetration rate will reach more than 33.5% by the end of 2027.

- Application for small and medium size panel:

Edge-to-edge display, high resolution, more battery life and smaller size are the basic aspects of smartphones. With the improvement of technology, the phones are not only for communication; they are daily necessities. People are used to surfing the Web, paying their bills, using them for entertainment and other activities on their smart devices. As the functionality of these devices becomes more diverse, people's reliance on them are increasing. Manufacturers enter the 5G market to enhance market penetration providing users with ultra-mobile broadband, low latency and other functions, allowing phones to be deeply connected to people's lives, e.g. remote smart medical services, internet on vehicles and other new smart areas.

In the past, the control panel and entertainment system on vehicles are mainly operated through physical buttons or knobs. With the trend of information digitalization and the development of smart devices, the central control display panel and dashboard display panel are becoming the standard package for new vehicles, and vehicles with displays are also increasing, with larger display. More and more manufacturers start to develop and introduce new applications, including temperature-controlled display panels, head-up display panels, rear-view mirror display panels, smart keys, etc. to improve the cost performance of vehicles. There will be more applications for display panels in the automotive market. Since the life cycle of automotive display panels is longer than the traditional consumer panels, the potential profit margin of the products is also higher. As the smart phone market is becoming saturated and the growth rate is slowing down, the automotive market has become a battlefield for all panel manufacturers.

With the rising awareness of environmental protection, the electric vehicle market is rapidly rising. According to a preliminary study by LMC Automotive and EV-Volumes.com, the global sales of pure electric vehicles in 2022 reached 7.8 million units, an increase of 68% compared to 2021. In response to climate change and a low carbon economy, governments offer high subsidies to encourage consumers to replace old fuel vehicles with electric vehicles. The global market is expected to reach 27 million electric vehicles by 2025, with a market penetration rate of 30%.

- With the development of Big Data and IoT, the application of TFT-LCD interface will become more and more extensive, such as electronic shelf label, home appliances, home smart systems, etc. The electronic shelf labels can replace traditional labels to adjust product prices on the shelf in real-time synchrony, with precision and efficiency. Electronic shelf labels can reduce labor costs and reduce human errors when marking the prices. The trend of unmanned stores in recent years will also add new growth momentum to the electronic shelf labels.

- Furthermore, handy terminals, wearable devices, medical devices, X-ray sensors and other applications are new applications and areas developed under the competition and technology differentiation in the industry.

(2) Market competition situation

Currently the TFT-LCD technology is still the mainstream of the market, and its production capacity is mainly distributed in Asia; Taiwanese manufacturers include Giantplus, Hannstar, AUO and Innolux; JDI and SHARP are the main manufacturers in Japan; Samsung and LGD are the main manufacturers in South Korea; in China, the main manufacturers are BOE, TIANMA, TCL and HKC.

The Chinese manufactures are the new main panel manufacturers. However, with the aggression in technology and scale, the dynamic in the panel industry has shifted. The Taiwanese panel factories have adopted flexible factory line planning and differentiated size/specification to open up new blue ocean business opportunities. Japanese manufacturer JDI actively invests in AMOLED, in addition to focusing on the small and medium size panel to promote the customer loyalty of western smart phone users. The Korean panel manufacturers closed down production lines that were not productive, or transformed their factory lines into the AMOLED technology process, taking advantage of the technology leadership to stay well ahead of the China panel manufacturers. The industry competition has also changed from "capacity competition" to "differentiation competition," or from "revenue-oriented" to "profit-oriented."

5.1.3 Research and Development

1. Technical Level and Research Development

As a result of the efforts of the research and development team to meet the needs of customers, the Company has developed a wide range of products over the years and has developed technical capabilities and competitiveness through the development of various products. The technologies or products developed in the past two years, as well as future research and development plans, are as follows:

- Transflective technology to develop high-reflective and high-reflection color saturation panels, greatly improving the clarity of outdoor use while meeting outdoor and indoor use.
- Ultra-low power consumption micro-transmissive panel technology, greatly extending the use time and improving display quality; mainly used in wearable devices and outdoor use devices.
- Low-power reflective panel technology for electronic labels and other products.
- Thin film solar cells, with ultra-low power outdoor products, can increase product usage time.
- Continuous development of TFT backplane technology for non-liquid crystal display, in order to introduce X-Ray Detector for medical digital X-ray photography.
- Continuous investment in Mini-LED & local dimming technology development.
- Develop 3D curve display and free form polarizers, construct TP 3D bonding technology and back light unit design ability.
- High-color rendering products have completed 86% NTSC mass production, and 92% NTSC product development is underway.
- Development of switchable anti-peeping technology to improve personal privacy of outdoor and indoor usage of 3C devices.
- Development of flexible OTFT technology in response to flexible, fordable, roll to roll, and other technology in the future.
- Development of cover glass surface processing techniques to reduce the color difference between the display area and the cover ink area.

- LCM+CTP total solution product integration development for mass production in the niche market.
- The self-developed SITO sensor has been certified for reliability, and has been delivered to clients.
- For automotive panel technology, continuous research and development and improvement of high reliability, wide viewing angle, high contrast, high brightness and fast response time. For high contrast and wide viewing angle requirements, the Company developed photo alignment.
- 1.6mm narrow frame design for medium-sized car products.
- Thinned In-cell touch technology is introduced to automotive and consumer products.
- Technology of photo-alignment + photo-alignment polarizing plate + B/L patch structure, which meets the requirement to apply the OEM5.1 specification.
- SITO on CF combines the existing Touch sensor & CF technology on the same glass to achieve thinness and enhance touch sensitivity.
- Electronically controlled active and passive LC lens technology was developed to replace the traditional mechanical zoom system.
- A cholesteric liquid-crystal display (ChLCD) technology developed for low power consumption products such as e-books and e-labels;
- Development of LC-type Smart Window technology for dimming and anti-peeping purposes in car windows.
- Development of electronic label technology that allows for arbitrary cutting and seamless splicing.
- Development of high-contrast and wide-view angle semi-transparent display technology.
- Development of front light source backlight technology for reflective displays.

2. Research and development personnel and their academic experience

| Academic qualifications \ Year | 2022 | | 2023 | |
|-----------------------------------|--------|---------|--------|---------|
| | Number | % | Number | % |
| Master (inclusive) or above | 83 | 57.64% | 83 | 58.45% |
| Bachelor | 53 | 36.80% | 51 | 35.92% |
| Bachelor (inclusive) or below | 8 | 5.56% | 8 | 5.63% |
| Total | 144 | 100.00% | 142 | 100.00% |

3. Research and development expenses for the most recent year and the end of the annual report:

| Year | 2023 | As of April 30, 2024 |
|---------------------------------|---------|----------------------|
| Total Expenses (NT\$ thousands) | 184,194 | 60,433 |

5.1.4 Long-term and Short-term Development

The short-term business development plans of the Company include focusing on the small and medium-sized niche market. The Company is devoted to achieving technology differentiation and product customization to provide customers with services such as product design and development, front-end process, touch integration, back-end module assembly and other one stop shop services. In terms of technology, the Company has refined TFT backplate technology for Non-liquid crystal display applications and semi-reflective technology for high reflective color to expand into the medical market and industrial control market, as well as providing free-form cutting/drilling, 3D curved surface, in-cell/suspension touch, flexible OTFT technology, switchable anti-peeping technology, narrow frame and wide viewing angle, to meet customer customization needs as much as possible in order to deepen customer adhesion. Giantplus will establish a win-win cooperation model with customers. In addition to continuous expansion of the niche market and the automotive market, the Company also established product platforms to optimize product cost structure and enhance market penetration.

The long-term business development plans of the Company include reinforcing the cooperation within the Group, effectively combining the Group's resources, improve technology upgrades, improve process and quality capabilities, and develop more diversified products. At the same time, it continues to strengthen marketing channels and expand new markets to consolidate Giantplus Technology's position in the small and medium-size niche markets.

In terms of product development, the Company continues to invest in the research and development of small and medium-sized flat panel display technology to provide customers with more competitive products and create a win-win situation with customers. In terms of internal management, it improves quality control and the service scope of information systems, establishes a knowledge management structure, and accelerate decision-making speed to improve decision-making quality to promote and maximize production output “quantity” and production line “quality” moving forward.

In addition to striving to strengthen the Company's operational performance, Giantplus Technology understands that to become a committed corporate citizen, it needs to do its utmost to make sustainable efforts for earth and to create a win-win situation for the Company and the environment.

5.2 Market and Sales Overview

5.2.1 Market Analysis

1. Main products selling area

Unit: NT\$ thousands

| Area \ Year | | Amount of Sales 2022 | % | Amount of Sales 2023 | % |
|----------------|---------------------|-------------------------|--------|-------------------------|--------|
| Domestic sales | | 2,636,751 | 25.32 | 2,126,495 | 23.55 |
| Foreign sales | Asia | 6,235,265 | 59.87 | 4,962,832 | 54.85 |
| | Europe | 868,451 | 8.34 | 989,598 | 10.95 |
| | Americas | 673,022 | 6.46 | 963,190 | 10.65 |
| | Other Area | 881 | 0.01 | 0 | 0.00 |
| | Total amount of F/S | 7,777,619 | 74.68 | 6,915,620 | 76.45 |
| Total | | 10,414,370 | 100.00 | 9,042,115 | 100.00 |

2. The supply and demand situation and growth of the future market and Market Share

The cooling of the home economy effect and factors such as high inflation in 2022 have impacted end-demand, leading to a significant downturn in the panel industry. The global display panel market has become more volatile, with the entire industry facing a challenging business cycle.

In 2023, amidst overall economic uncertainty and the shadow of international geopolitical conflicts, the accelerated inventory destocking became a crucial issue for the panel industry.

In the automotive sector, the supply chain tension in the global car market improved in the first half of 2023, gradually recovering from deferred orders in 2022, leading to increasing sales volume.

In the industrial control sector, performance declined due to poor market sales, prompting inventory adjustments.

Consumer products experienced a decline in demand due to global inflation suppressing consumption, affecting markets such as printers, toys, and wearable watches. Additionally, high inventory levels slowed overall shipments.

The mainland China market showed slow recovery due to the impact of the US-China trade war.

Global display panel revenue in 2023 amounted to \$93.46 billion (including LCD, AMOLED, Mini LED, and other display products), a decrease of approximately 7.6% compared to 2022. It is projected that global panel manufacturer sales revenue will increase by about 11% year-on-year in 2024, reaching around \$103.3 billion. Looking ahead to 2024, the major sports events around the world presents an opportunity to support a slight growth in global panel shipments.

2024 will mark a turning point for the panel industry, transitioning from decline to growth. The industry landscape and capacity have been reshaped and stabilized, shifting supplier competition from scale to efficiency and profitability. With demand stabilizing and showing an upward trend, these three changes provide opportunities for the favorable development of the panel industry in the coming years.

3. Niches in competition

- Group integration: Strengthening cooperation and exchanges between the group. Manufacturing process and quality control are some of the important projects to optimize synergy.
- Strategic layout: continuing to develop the niche market oriented by technology differentiation and customized services, and striving to maximize the benefits of the Gen 3 and Gen 4 production lines, while at the same time diversifying its layout to choose the most suitable market and customers.
- Steady customer and product structure: The Company's main revenue distribution is in the European, American, Japanese and Taiwan markets, strategically diversifying the risk of fluctuation in a single market or a single application. At the same time, the diversification of customer structure also helps ensure the equal rights of negotiation and bargaining.
- Niche-type customized products: By providing total solution, diversifying while maintaining small amount, the Company consolidates the position within the small and medium size niche markets and becomes a sustainable provider via quality innovation.
- Resilience: In order to enhance customer adhesion and market competitiveness, Giantplus provides instant Time-to-market customized product design service, proactively expands the breadth and depth of niche market, and continues to maximize “value” and “quality” in its production line.
- Stable product quality and quality system: At the beginning of its establishment, the Company has established a clear quality policy - "to meet the requirements of customers with first-class quality", and has been recognized by the satisfaction of customers with stable quality. The Company has passed several international quality certifications:

| | |
|---------|------------------------|
| 1999/02 | Passed ISO 9001 |
| 2002/01 | Passed ISO 14001 |
| 2007/01 | Passed ISO/TS 16949 |
| 2008/04 | Passed OHSAS 18001 |
| 2009/08 | Passed ISO 14064-1 |
| 2017/09 | Passed IATF 16949 |
| 2019/05 | Passed ANSI ESD S20.20 |
| 2020/03 | Passed ISO 45001 |
| 2022/12 | Passed ISO 13485 |

- Cooperating with customers to design new products, respond instantly, and efficiently shorten product development time and accelerate the introduction of new products; in addition, establish a rapid response service system to meet all customer needs with respect to after-sales service from product design and development to production.

4. Advantage and disadvantage of long-term development and reaction strategy

(1) Advantage:

- Japanese and Korean panel makers will close or consolidate production lines, and in the meantime strategically focus on the development of AMOLED technology; Chinese manufacturers announced to cease investment in new capacities of TFT-LCD. The aforementioned circumstances mitigated the industry's imbalance between supply and demand.
- Reinforcing the cooperation with the group and continuously refining quality management, manufacturing process efficiency and development of new technology.
- Successful strategic transition to focusing on the small and medium size niche markets. Maintaining excellent OEM/ODM partnership with major international companies, globalized layout and having a solid niche market customer base.
- Flexible product line operation, provision of customized product development and design services. Early-stage production line of TFT-LCD is based in Taiwan. Meanwhile, there are late-stage LCM modules in Taiwan and China for customer requirements for diversification.

(2) Disadvantage and Reaction Strategy

- The consumer markets are saturated:

Despite the slowdown in the overall panel shipment in LCD TVs, PCs, notebooks, tablets, smart phones and other consumer products, the development of Big Data, cloud communication, smart connectivity and other innovative areas opens up opportunities for the panel industry. The Company will continue to develop the niche market, avoid the saturated market with caution and actively explore more market applications. Via product design customization and technology differentiation, we deepen and solidify existing customer cooperation and actively cultivate new market and applications for industrial control and vehicle use in the meantime; lower opening cost of the existing Gen 3 and the production advantage of the economic scale of the Gen 4 will maximize the allocation of the two production lines. In addition, we are continuously increasing the proportion of Total Solution orders, and we are looking forward to achieving the growth goal of both performance and profit.

- The global economic and political outlook influences the market:

The uncertainties over COVID-19 pandemic, geopolitical instability, the trade war, and countries starting to raise interest rates cyclically, etc. had led to weak consumption. The Company employs strategic and balanced layout in the niche market, diversifies against volatility and risks from a single market or application and continues to boost the proportion of key customers and product lines. In addition, we will streamline the operating costs and enhance quality and supply chain management to strengthen the overall competitiveness of the Company.

- Component shortages and port congestion:

The pandemic has severely disrupted the global supply chain, set off a butterfly effect, and prompted consumer prices. The inflation crisis has become an important economic issue in various countries. The Company is committed to strengthening the scheduling and adaptability of components and materials to ensure the stable production of the factory. At the same time, the Company has been leveraging its innovative technology capabilities to strategically develop new applications with customers, actively optimizing its product portfolio and improving its profitability structure.

5.2.2 Production Procedures of Main Products

1. Major Products and Their Main Uses

Industrial displays, marine and aviation displays, electronic labels, point-of-sales devices, graphing/scientific calculators, handy terminals, medical equipment meters, home appliances, wearable devices, satellite navigation systems, automotive displays, electric vehicle charging pile screen, game educational machines, privacy screens, printers, digital camera, and others.

2. Major Products and Their Production Processes

The TFT-LCD process can be divided into three phases:

- Array Process: TFT substrate is generated and must be cleaned.

Clean → Thin film production Thin Film → Yellow light → Etching → Stripping.

- Cell Process: Panel is generated. The front array glass substrate is combined with the color filter glass substrate, and liquid crystal is injected between the two glass substrates.

The two glass substrates are aligned → hot pressing → dicing cleavage → injecting liquid crystal → sealing → Re-alignment → Paste polarizer → Pressure defoaming → Last Cell test.

- Module Assembly: The assembly process of the module varies depending on customers' shipping requirements. The glass produced following the cell process is assembled with a variety of components, after the electrical test is finished, and passing the appearance inspection and storage inspection, the product is packed and shipped.

5.2.3 Supply Status of Main Materials

The Company's main raw materials are key components such as plain glass, color filter, liquid crystal, polarizer, driver IC, backlight module, etc. Currently, the strategic choices are to establish long-term and stable cooperative relations with two or more suppliers to ensure supply, and stable quantity and quality of goods. After the post-COVID-19 and the trade conflict between China and the United States, the industrial structure has changed, and the rotation has been rapid. Strategic partnerships have been strengthened based on the principle of centralized and non-divergent supply chains, and through cooperation, the power of the organization has been effectively utilized.

In 2023, there have been changes in the semiconductor and electronic component supply situation. Due to ongoing destocking by customers and factors such as inflation and war causing demand contraction, the situation of supply shortages has significantly eased. We are currently closely monitoring industry dynamics and changes in customer demand to respond to potential surge in orders after demand stagnation or increased demand following a market reversal, ensuring timely delivery to customers and stable supply. Furthermore, color filters are regarded as TFT-LCD strategic materials. In addition to in-house manufacturing to enhance machine process capability and efficiency, the Group resources for color filters can also be provided to meet niche market customization and expansion. In general, the development of the TFT-LCD industry has been relatively mature, therefore, material supply is relatively stable, and strengthening the integration and management of supply chain resources is essential to respond to rapid market changes.

5.2.4 Major Suppliers and Clients

1. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands

| Item | 2022 | | | | 2023 | | | | 2024 (As of March 31) | | | |
|------|--------------|------------|--------|----------------------|--------------|-----------|--------|----------------------|-----------------------|-----------|--------|----------------------|
| | Company Name | Amount | % | Relation with Issuer | Company Name | Amount | % | Relation with Issuer | Company Name | Amount | % | Relation with Issuer |
| 1 | A Customer | 1,293,153 | 12.42 | NA | A Customer | 1,043,841 | 11.54 | NA | A Customer | 250,698 | 12.56 | NA |
| 2 | B Customer | 5,472 | 0.05 | NA | B Customer | 445,727 | 4.93 | NA | B Customer | 240,732 | 12.06 | NA |
| | Others | 9,115,745 | 87.53 | | Others | 7,552,547 | 83.53 | | Others | 1,504,235 | 75.38 | |
| | Net Sales | 10,414,370 | 100.00 | | Net Sales | 9,042,115 | 100.00 | | Net Sales | 1,995,665 | 100.00 | |

Reasons for changes:

In 2023, A Customer's sales lower than 2022 due to the interest rate rise, and the adjustment of inventory.

In 2023, B Customer's sales higher than 2022 due to increased market demand.

2. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands

| Item | 2022 | | | | 2023 | | | | 2024 (As of March 31) | | | |
|------|---------------|-----------|--------|----------------------|---------------|-----------|--------|----------------------|-----------------------|---------|--------|----------------------|
| | Company Name | Amount | % | Relation with Issuer | Company Name | Amount | % | Relation with Issuer | Company Name | Amount | % | Relation with Issuer |
| 1 | A Supplier | 253,997 | 5.28 | NA | A Supplier | 302,869 | 7.30 | NA | A Supplier | 80,114 | 10.07 | NA |
| | Others | 4,555,954 | 94.72 | | Others | 3,847,759 | 92.70 | | Others | 715,607 | 89.93 | |
| | Net Purchases | 4,809,951 | 100.00 | | Net Purchases | 4,150,628 | 100.00 | | Net Purchases | 795,721 | 100.00 | |

Reasons for changes: In 2023, A supplier's purchases higher than 2022 due to an increase in FOG products carried and the addition of supplies of explosion-proof film and OCA.

5.2.5 Production in the Last Two Years

Unit: NT\$ thousands

| Output Year | | 2022 | | | 2023 | | |
|--------------------|--|----------|----------|-----------|----------|----------|-----------|
| | | Capacity | Quantity | Amount | Capacity | Quantity | Amount |
| Major Products | | | | | | | |
| LCD panel-TFT | | 903 | 506 | 1,525,691 | 722 | 434 | 1,517,042 |
| LCD panel-STN | | - | - | - | - | - | - |
| LCD module-TFT+STN | | 35,256 | 28,316 | 6,324,963 | 25,122 | 20,705 | 5,616,941 |
| Total | | Note | Note | 7,850,654 | Note | Note | 7,133,983 |

Note: Due to difference in units, the figures cannot be tallied.

5.2.6 Shipments and Sales in the Last Two Years

Unit: thousands; NT\$ thousands

| Shipments & Sales Major Products | Year | 2022 | | | | 2023 | | | |
|-------------------------------------|------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
| | | Local | | Export | | Local | | Export | |
| | | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| LCD module | | 5,636 | 2,424,106 | 24,882 | 6,265,104 | 3,862 | 1,993,115 | 15,843 | 5,679,288 |
| LCD panel | | 524 | 114,883 | 4,201 | 597,146 | 250 | 63,014 | 1,828 | 479,688 |
| Open Cell | | 853 | 64,394 | 13,770 | 731,006 | 265 | 32,615 | 9,342 | 587,301 |
| Others | | Note | 33,368 | Note | 184,363 | Note | 37,751 | Note | 169,343 |
| Total | | 7,013 | 2,636,751 | 42,853 | 7,777,619 | 4,377 | 2,126,495 | 27,013 | 6,915,620 |

Note: Due to the diversified nature of each product and the different units, it is not possible to compare the numbers.

5.3 Number Of Employees, Average Length Of Service, Average Age, And Educational Distribution Ratio Of Employees In The Past Two Fiscal Years And Up To The Printing Date Of The Annual Report

30 April 2024

| Year | | 2022 | 2023 | As of April 30, 2024 |
|--------------------------|--------------------------|---------|---------|----------------------|
| Number of Employees | Direct employee | 1,226 | 1,094 | 1,111 |
| | Indirect employee | 945 | 942 | 923 |
| | Total | 2,171 | 2,036 | 2,034 |
| Average Age | | 37.31 | 40.80 | 40.22 |
| Average Years of Service | | 6.31 | 7.70 | 7.86 |
| Education | Ph.D. | 0.00% | 0.00% | 0.00% |
| | Masters | 10.41% | 11.44% | 11.11% |
| | Bachelor's Degree | 55.32% | 58.60% | 57.82% |
| | Senior High School | 29.30% | 25.15% | 26.11% |
| | Below Senior High School | 4.97% | 4.81% | 4.97% |
| | Total | 100.00% | 100.00% | 100.00% |

5.4 Environmental Protection Expenditure

Losses incurred due to environmental pollution with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report:

5.4.1 Losses incurred due to environmental pollution:

As the current fiscal year up to the date of publication of the annual report, there have been no major pollution incidents and no losses due to environmental pollution.

5.4.2 Waste Reduction Targets

The waste recycling percentage in 2023 was 33%. In response to the initiative of the 2050 Environmental Goals Declaration made by the headquarter of TOPPAN Holdings Inc., the target of the recycling rate in 2030 needs to increase by 12%. Therefore, the target recycling rate for waste in 2030 is set to be higher than 45%.

5.5 Labor Relations

5.5.1 List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee's welfare package

Adhering to the concept of caring and trusting, the Company is committed to safeguarding employees' rights and interests, and continuously structures a comprehensive system to provide employees with a good and safe working environment. The Company also set up employee welfare committee to organize employee welfare activities to create a happy workplace.

(1) Employee welfare measures and implementation

A. Insurances and subsidies

Labor insurance, health insurance, group insurance, medical benefits (also for their spouses and children), marriage and death subsidies, birthday coupon, holiday bonus for the three major Chinese holidays and corporate gifts, and so on.

B. Employee health

Regular free health checkups, employee counseling, health information and health promotion activities. There is also a medical office, a nursing room and a resident doctor to provide medical consultation services. The Company also employs a visually impaired masseur to provide relaxation services for staff. In order to relieve the staff's work pressure, the Company set up a "destress stop" and hired visually impaired massage therapist to provide massage services.

C. Convenient facilities for employees

Providing dormitories for employees from out of town, fixed route shuttle buses, free parking space, a canteen, company subsidized meal allowance, cafe, fruit bar, convenience stores and ATM.

(2) Employee training

A. According to the "Training Quality Program", each department will propose a training program each year to provide professional skills training for existing staff, which will be reviewed by the Human Resources Department on a quarterly basis. The Human Resources Department will also arrange general and management courses for assigned employees to participate to learn the knowledge and skills needed to improve their work.

B. According to the "Standards for the Certification of Professional Qualifications", all departments have the professional qualifications and certification rules in place for their respective staff. The Human Resources Department regularly requests the person in charge to check the status of internal education and training in the departments and announce the status on the Moodle digital platform.

(3) Retirement structure and the situation of implement

A. To establish a retirement scheme, according to the "Labor Standards Act", employees who are applicable under this Act will appropriate a certain proportion of the total salary monthly to the retirement reserve, which will be deposited in the Labor Retirement Reserve Supervisory Board.

- B. According to the "Labor Pension Regulations", for employees who are applicable under the Regulations, the Company will appropriate 6% pension to employees' personal accounts of the Labor Insurance Bureau according to the regulations.
- C. In order to supervise the Company's monthly allocation and special accounts of labor retirement reserves, the committee is organized to hold meetings according to the "Organizational Guidelines for the Organizational Retirement Reserve Supervision Committee". From 2023 to the end of March 2024, two employee who is eligible for retirement conditions applied for self-retirement.

2. Employee rights

- (1) The Company manages employees pursuant to labor-related laws such as the Labor Standards Act, and hires dedicated personnel to handle the work of employees to protect their basic rights and interests.
- (2) The Company hired employees that are licensed labor safety and health administrators. They regularly receive related courses to maintain employee safety and health.
- (3) In order to provide a smoother communication platform between employees and the Company, the Company held a labor-management meeting every quarter according to relevant regulations. In the meeting, the Company discusses with employee representatives about various issues of work and factory life, and tracks the improvement results.
- (4) The Company set up an email address: icareu@giantplus.com and physical employee suggestion mailboxes for employees to voice opinions and appeals.

5.5.2 List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report and disclose the estimated amount of loss currently and in the future and the responses thereto.

The Company is committed to strengthening labor and management harmony, in addition to regular labor-management meetings, and the establishment of employee suggestion mailboxes and complaint lines, as a communication channel between the Company and employees, comprehensive regulations are set up to integrate employees' and the Company's interests, therefore, there have been no major labor disputes.

5.6 Information Security Management:

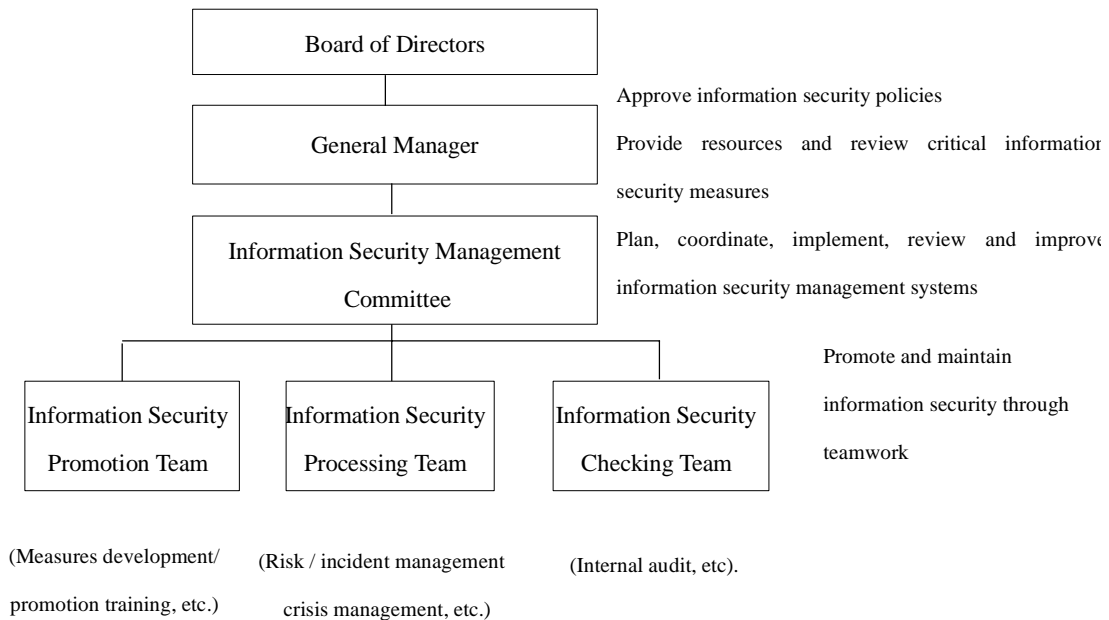
1. Information security policy, management framework, management plan, and input resources.

(1) Information security policy

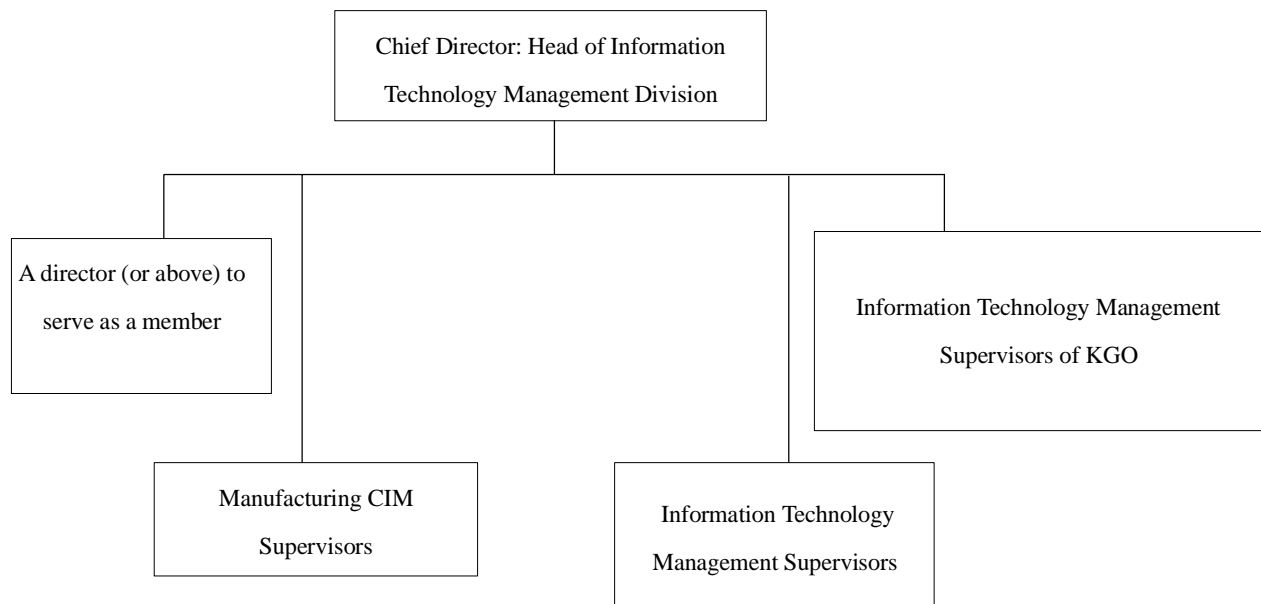
Establishing a secure environment for information processing, transmission, and storage, to strengthen information security management, assure the confidentiality, integrity, availability, and network security of all information assets; protect the rights and interests of the company and all employees; and gain the trust of customers, so that Giantplus Technology's business can continue to grow.

(2) Information Security Management Framework

A. Organizational structure and main work:



B. Information Security Management Committee:



(3) Specific management plan.

| | |
|-----------------------|---|
| Internet Security | <ul style="list-style-type: none"> ● Strengthen firewall and network control to prevent external attacks and internal lateral infection. ● Endpoint protection installation, and software updates |
| Safety device | <ul style="list-style-type: none"> ● Setting endpoint antivirus measures ● Trusted devices to communicate with untrusted IoT devices |
| Application Security | <ul style="list-style-type: none"> ● Application security control mechanism ● Introduced new API transmission data system |
| Information Security | <ul style="list-style-type: none"> ● Outgoing mail and receiving control ● Security hierarchical control of group information assets to improve data protection |
| Supplier Safety | <ul style="list-style-type: none"> ● Construct a supplier platform to improve data transmission security and fully import supplier VPN ● Analysis of counterfeit data and effective tracking |
| Training and Advocacy | <ul style="list-style-type: none"> ● Conduct social engineering drills for all employees to improve vigilance and safety awareness. ● Information units conduct online information security professional training twice a year. |

(4) Input Resources

- a. Network hardware equipment: Next-generation defensive firewall, mail protection system (anti-counterfeiting/anti-virus, spam filtering, etc.), managed network equipment, etc.
- b. Replacing the group's email protection system, and introducing APT and DLP email defense systems.
- c. Software system: Endpoint protection EDR system, server MDR system, information security investigation XDR system, independent backup area management framework and backup software, VPN authentication and encryption authentication, the establishment of vendor data exchange platform, etc.
- d. Telecommunication services such as multi-lane, web protection system, intrusion protection service, etc.

- e. Information Security Workforce: One information security supervisors, three information security personnel responsible for information security structure design, information security maintenance and monitoring, information security incident response and investigation, information security education and training, social engineering drills, disaster recovery drills, and assisting the Information Security Committee in the implementation of information security policies, etc.
 - f. Engaging in the exchange of cyber threat intelligence, and being the member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC).
2. Losses suffered due to information security incidents, possible impacts and responses for the most recent year and up to the date of publication of the annual report.

There were no significant information security incidents or losses due to information security incidents.

5.7 Important Contracts

| Agreement | Counterparty | Period | Major Contents | Restrictions |
|--|--|--|--|--------------|
| Patent licensing | Mitsubishi Electric Corporation | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Patent licensing | Sharp Corporation | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Patent licensing | Japan Display Inc. Panasonic Liquid Crystal Display Co., Ltd. | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Patent licensing | LG Display Co., Ltd. | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Patent licensing | Vista Peak Ventures, LLC | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Productivity Reservation Agreement | Ili Technology Corp. | Pursuant to the terms and conditions set forth under the Agreement | Pursuant to the terms and conditions set forth under the Agreement | NA |
| Medium and long-term guarantee contracts | Chang Hwa Bank | 2017.4~2027.4 | NT\$2.5 billion credit contract | NA |
| Medium and long-term guarantee contracts | Chang Hwa Bank | 2021.4~2026.4 | NT\$1.5 billion credit contract | NA |

VI. Financial Overview

6.1 Five-Year Concise Balance Sheets, Income Statements, And Auditor's Opinions Based On The Latest Five Fiscal Years

6.1.1 Condensed Balance Sheet (Consolidated)

Unit: NT\$ thousands

| <div> <div>Year</div> <div>Item</div> </div> | | Financial Summary for The Last Five Years | | | | | |
|---|---------------------------|---|------------|------------|------------|------------|------------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 |
| Current assets | | 5,338,702 | 5,440,989 | 6,311,121 | 6,462,271 | 5,600,045 | 5,243,175 |
| Property, Plant and Equipment | | 6,652,609 | 5,997,683 | 5,879,152 | 5,699,334 | 5,473,238 | 5,463,850 |
| Intangible assets | | 17,561 | 11,306 | 7,482 | 5,515 | 391,436 | 381,237 |
| Other assets | | 199,100 | 64,653 | 153,921 | 271,296 | 225,766 | 224,019 |
| Total assets | | 12,207,972 | 11,514,631 | 12,351,676 | 12,438,416 | 11,690,485 | 11,312,281 |
| Current liabilities | Before distribution | 3,208,547 | 3,778,627 | 3,558,247 | 3,323,411 | 2,993,853 | 2,632,603 |
| | After distribution (Note) | 3,252,701 | 3,778,627 | 3,558,247 | 3,411,720 | 3,038,008 | 2,632,603 |
| Non-current liabilities | | 910,887 | 767,194 | 1,645,040 | 1,333,812 | 778,379 | 716,540 |
| Total liabilities | Before distribution | 4,119,434 | 4,545,821 | 5,203,287 | 4,657,223 | 3,772,232 | 3,349,143 |
| | After distribution (Note) | 4,163,588 | 4,545,821 | 5,203,287 | 4,745,532 | 3,816,387 | 3,349,143 |
| Equity attributable to shareholders of the parent | | 8,088,538 | 6,968,810 | 7,148,389 | 7,781,193 | 7,918,253 | 7,963,138 |
| Capital stock | | 4,415,449 | 4,415,449 | 4,415,449 | 4,415,449 | 4,415,449 | 4,415,449 |
| Capital surplus | | 2,618,982 | 2,618,982 | 2,618,982 | 2,618,982 | 2,618,982 | 2,618,982 |
| Retained earnings | Before distribution | 1,242,647 | 108,509 | 203,360 | 826,867 | 973,509 | 995,452 |
| | After distribution (Note) | 1,198,493 | 108,509 | 203,360 | 738,558 | 929,354 | 995,452 |
| Other equity interest | | (188,540) | (174,130) | (89,402) | (80,105) | (89,687) | (66,745) |
| Treasury stock | | - | - | - | - | - | - |
| Non-controlling interest | | - | - | - | - | - | - |
| Total equity | Before distribution | 8,088,538 | 6,968,810 | 7,148,389 | 7,781,193 | 7,918,253 | 7,963,138 |
| | After distribution (Note) | 8,044,384 | 6,968,810 | 7,148,389 | 7,692,884 | 7,874,098 | 7,963,138 |

Note: The above post-distribution figures are based on the resolution of the Board of Directors.

6.1.2 Condensed Balance Sheet (Unconsolidated)

Unit: NT\$ thousands

| Year Item | | Financial Summary for The Last Five Years | | | | |
|---|---------------------------|---|------------|------------|------------|------------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 |
| Current assets | | 5,023,633 | 4,525,030 | 5,691,981 | 6,081,065 | 5,267,771 |
| Property, Plant and Equipment | | 6,023,488 | 5,628,069 | 5,399,625 | 5,173,336 | 5,006,481 |
| Intangible assets | | 16,027 | 10,218 | 6,537 | 5,041 | 391,025 |
| Other assets | | 3,605,175 | 3,503,600 | 3,542,969 | 4,032,150 | 3,980,024 |
| Total assets | | 14,668,323 | 13,666,917 | 14,641,112 | 15,291,592 | 14,645,301 |
| Current liabilities | Before distribution | 5,712,030 | 5,930,913 | 5,853,882 | 6,184,930 | 5,951,426 |
| | After distribution (Note) | 5,756,184 | 5,930,913 | 5,853,882 | 6,273,239 | 5,995,581 |
| Non-current liabilities | | 867,755 | 767,194 | 1,638,841 | 1,325,469 | 775,622 |
| Total liabilities | Before distribution | 6,579,785 | 6,698,107 | 7,492,723 | 7,510,399 | 6,727,048 |
| | After distribution (Note) | 6,623,939 | 6,698,107 | 7,492,723 | 7,598,708 | 6,771,203 |
| Equity attributable to shareholders of the parent | | 8,088,538 | 6,968,810 | 7,148,389 | 7,781,193 | 7,918,253 |
| Capital stock | | 4,415,449 | 4,415,449 | 4,415,449 | 4,415,449 | 4,415,449 |
| Capital surplus | | 2,618,982 | 2,618,982 | 2,618,982 | 2,618,982 | 2,618,982 |
| Retained earnings | Before distribution | 1,242,647 | 108,509 | 203,360 | 826,867 | 973,509 |
| | After distribution | 1,198,493 | 108,509 | 203,360 | 738,558 | 929,354 |
| Other equity interest | | (188,540) | (174,130) | (89,402) | (80,105) | (89,687) |
| Treasury stock | | - | - | - | - | - |
| Non-controlling interest | | - | - | - | - | - |
| Total equity | Before distribution | 8,088,538 | 6,968,810 | 7,148,389 | 7,781,193 | 7,918,253 |
| | After distribution (Note) | 8,044,384 | 6,968,810 | 7,148,389 | 7,692,884 | 7,874,098 |

Note: The above post-distribution figures are based on the resolution of the Board of Directors.

6.1.3 Condensed Statement of Comprehensive Income (Consolidated)

Unit: NT\$ thousands; Earnings per share in dollars

| <div>Year</div> <div>Item</div> | Financial Summary for The Last Five Years | | | | | |
|--|---|-------------|------------|------------|-----------|----------------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | As of March 31, 2024 |
| Operating revenue | 8,814,979 | 7,159,043 | 10,269,304 | 10,414,370 | 9,042,115 | 1,995,665 |
| Gross profit | 766,456 | 145,823 | 955,488 | 1,138,965 | 756,029 | 112,479 |
| Income from operations | (350,039) | (775,475) | 126,691 | 322,523 | 108,646 | (64,454) |
| Non-operating income | 292,500 | (213,336) | (38,754) | 301,072 | 170,843 | 137,706 |
| Income before tax | (57,539) | (988,811) | 87,937 | 623,595 | 279,489 | 73,252 |
| Income from operations of going concerns- after tax | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 | 66,098 |
| Income or loss from non- going concerns | - | - | - | - | - | - |
| Net income (Loss) | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 | 66,098 |
| Other comprehensive income (income after tax) | 51,033 | 14,613 | 86,911 | 19,130 | (10,787) | 22,942 |
| Total comprehensive income | (149,869) | (1,075,574) | 179,579 | 632,804 | 225,369 | 89,040 |
| Net income attributable to shareholders of the parent | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 | 66,098 |
| Net income attributable to non-controlling interest | - | - | - | - | - | - |
| Comprehensive income attributable to Shareholders of the parent | (149,869) | (1,075,574) | 179,579 | 632,804 | 225,369 | 89,040 |
| Comprehensive income attributable to non- controlling interest | - | - | - | - | - | - |
| Earnings per share | (0.45) | (2.47) | 0.21 | 1.39 | 0.53 | 0.15 |

6.1.4 Condensed Statement of Comprehensive Income (Unconsolidated)

Unit: NT\$ thousands; Earnings per share in dollars

| Year Item | Financial Summary for The Last Five Years | | | | |
|---|---|-------------|------------|------------|-----------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Operating revenue | 8,752,559 | 7,095,822 | 10,056,832 | 10,292,144 | 9,026,940 |
| Gross profit | 692,282 | (2,787) | 880,536 | 959,570 | 716,309 |
| Income from operations | (129,296) | (814,512) | 88,097 | 209,561 | 131,520 |
| Non-operating income | (57,920) | (237,706) | (20,861) | 405,530 | 128,743 |
| Income before tax | (187,216) | (1,052,218) | 67,236 | 615,091 | 260,263 |
| Income from operations of going concerns- after tax | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 |
| Income or loss from non-going concerns | - | - | - | - | - |
| Net income (Loss) | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 |
| Other comprehensive income (income after tax) | 51,033 | 14,613 | 86,911 | 19,130 | (10,787) |
| Total comprehensive income | (149,869) | (1,075,574) | 179,579 | 632,804 | 225,369 |
| Net income attributable to shareholders of the parent | (200,902) | (1,090,187) | 92,668 | 613,674 | 236,156 |
| Net income attributable to non-controlling interest | - | - | - | - | - |
| Comprehensive income attributable to Shareholders of the parent | (149,869) | (1,075,574) | 179,579 | 632,804 | 225,369 |
| Comprehensive income attributable to non-controlling interest | - | - | - | - | - |
| Earnings per share | (0.45) | (2.47) | 0.21 | 1.39 | 0.53 |

6.1.5 Auditors' Opinions from 2019 to 2023

| Year | Accounting Firm | CPA | Audit Opinion |
|------|-----------------|-------------------------------|---------------------|
| 2023 | KPMG | Yi-Chun Chen, Hsiu-Yi Lin | Unqualified opinion |
| 2022 | KPMG | Yi-Chun Chen, Hsiu-Yi Lin | Unqualified opinion |
| 2021 | KPMG | Yi-Chun Chen, Hsiu-Yi Lin | Unqualified opinion |
| 2020 | KPMG | Yi-Chun Chen, Chung-Yi Chiang | Unqualified opinion |
| 2019 | KPMG | Chung-Yi Chiang, Jung-Lin Lee | Unqualified opinion |

6.2 Five-Year Financial Analysis

6.2.1 Consolidated Financial Analysis – Based on IFRS

| Year Item | | Financial Analysis for the Last Five Years (Note 1) | | | | | |
|---|---|---|---------|--------|--------|--------|-----------------------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | As of March, 31, 2024 |
| Financial structure (%) | Debt Ratio | 33.74 | 39.47 | 42.12 | 37.44 | 32.26 | 29.60 |
| | Ratio of long-term capital to property, plant and equipment | 135.27 | 128.98 | 149.56 | 159.93 | 158.89 | 158.85 |
| Solvency (%) | Current ratio | 166.39 | 143.99 | 177.36 | 194.44 | 187.05 | 199.16 |
| | Quick ratio | 120.04 | 108.90 | 121.08 | 137.94 | 131.47 | 142.01 |
| | Interest coverage ratio | (1.23) | (70.46) | 5.82 | 29.72 | 15.10 | 19.47 |
| Operating performance | Accounts receivable turnover (times) | 5.38 | 5.00 | 7.30 | 6.58 | 6.70 | 7.42 |
| | Average collection period | 67.84 | 73.00 | 50.00 | 55.47 | 54.47 | 49.19 |
| | Inventory turnover (times) | 7.00 | 5.73 | 6.11 | 5.12 | 5.02 | 5.09 |
| | Accounts payable turnover (times) | 5.62 | 4.37 | 4.85 | 4.64 | 5.12 | 5.60 |
| | Average days in sales | 52.14 | 63.69 | 59.73 | 71.28 | 72.70 | 71.70 |
| | Property, plant and equipment turnover (times) | 1.23 | 1.13 | 1.72 | 1.79 | 1.61 | 1.45 |
| | Total assets turnover (times) | 0.68 | 0.60 | 0.86 | 0.84 | 0.74 | 0.69 |
| | | | | | | | |
| Profitability | Return on total assets (%) | (1.41) | (9.09) | 0.89 | 5.09 | 2.08 | 2.40 |
| | Return on stockholders' equity (%) | (2.46) | (14.48) | 1.31 | 8.22 | 3.00 | 3.32 |
| | Pre-tax income to paid-in capital (%) | (1.30) | (22.39) | 1.99 | 14.12 | 6.32 | 1.65 |
| | Profit ratio (%) | (2.27) | (15.22) | 0.90 | 5.89 | 2.61 | 3.31 |
| | Earnings per share (NT\$) | (0.45) | (2.47) | 0.21 | 1.39 | 0.53 | 0.15 |
| Cash flow | Cash flow ratio (%) | 10.16 | 3.82 | 11.32 | 20.98 | 32.43 | 0.00 |
| | Cash flow adequacy ratio (%) | 81.07 | 62.88 | 39.67 | 58.38 | 99.91 | 109.39 |
| | Cash reinvestment ratio (%) | 1.71 | 0.55 | 2.07 | 3.45 | 4.41 | 0.00 |
| Leverage | Operating leverage | (7.07) | (1.66) | 17.90 | 7.92 | 21.79 | (13.00) |
| | Financial leverage | 0.93 | 0.98 | 1.16 | 1.07 | 1.22 | 0.94 |
| Analysis of financial ratio differences for the last two years: | | | | | | | |
| A. Solvency: decrease in current assets in 2023 led to the increase of current ratio and quick ratio in 2023. | | | | | | | |
| B. Profitability: decrease in profitability in 2023 is mainly due to the decrease in pre-tax and after-tax income in 2023. | | | | | | | |
| C. Cash flow: increase in net cash inflow in operating activities in 2023 gave rise to the increase in cash flow ratio in 2023. | | | | | | | |
| D. Leverage: the increase in operating leverage in 2023 was mainly due to the substantial decrease in operating income. | | | | | | | |

Note 1: Financial Ratio Formula

1. Financial Structure analysis

- (1) Debt ratio = Total Liabilities / Total Assets
- (2) Long-term funds to property, plant and equipment = (Total equity + Non-current liabilities) / Property, plant and equipment, net

2. Liquidity analysis

- (1) Current ratio = Current assets / Current liability
- (2) Quick ratio = (Current Assets - Inventories - Prepaid expenses) / Current liability
- (3) Interest coverage ratio = Profit Before Credit for Income Tax / Current interest expense

3. Operating performance analysis

- (1) Average collection turnover (Including Accounts Receivable and Notes Receivable from operation) = Sales / Average trade receivables
- (2) Days to collect accounts receivable = 365 / Average collection turnover
- (3) Average inventory turnover = Cost of goods sold / Average inventories
- (4) Average payment turnover (Including Accounts Payable and Notes Payable from operation) = operating costs / Average trade payables
- (5) Average days to sell inventory = 365 / Average inventory turnover
- (6) Property, plant and equipment turnover = Sales / Average property, plant and equipment, net
- (7) Total assets turnover = Sales / Average total assets

4. Return on investment analysis

- (1) Rate of return on assets = [Profit + Interest expense X (1 - Tax rate)] / Average assets
- (2) Rate of return on equity = Profit / Average total Equity
- (3) Profit to sales = Profit / Sales
- (4) Earnings per share = (Equity attributable to owners of parent - Dividend-preferred stock) / Weighted average outstanding shares

5. Cash flow

- (1) Cash flow ratio = Net cash provided by operating activities / Current liability
- (2) Cash flow adequacy ratio = 5-year net cash provided by operating activities / 5-year (Capital expense + Increase in inventories + Cash dividend)
- (3) Cash flow reinvestment ratio = (Net cash provided by operating activities - Cash dividend) - (Property, plant and equipment, net + Long-term investments + Other non-current assets + Operating Capital)

6. Leverage

(1) Operating Leverage= (Net sales – Variable cost) / Operating income

(2) Financial leverage = Operating income / (Operating income – Interest expenses)

Note 2: The following factors are to be included for consideration for the calculation of earnings per share:

1. It is based on the weighted average common stock shares instead of the outstanding stock shares at yearend.
2. For capitalization with cash or Treasury stock trade, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.
4. If preferred stock shares are nonconvertible and cumulative, the dividend of the year (whether it is distributed or not) shall be deducted from net income or added to the net loss. If preferred stock shares are not cumulative, preferred stock dividend shall be deducted from net income if there is any but it needs not be added to net loss if there is any.

Note 3: The following factors are to be included for consideration for the analysis of cash flow:

1. Net cash flow from operating activity meant for the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant for the cash outflow of capital investment annually.
3. Increase of inventory is counted only when ending inventory exceeds beginning inventory. If the ending inventory is decreased, it is booked as zero value.
4. Cash dividend includes the amount for common stock and preferred stock.
5. Gross Property, plant and equipment meant for the total Property, plant and equipment before deducting the accumulated depreciation.

Note 4: Issuers are to have operating cost and operating expenses classified into the category of fixed and variable. If the classification of operating cost and operating expense involves estimation or discretionary judgment, it must be made reasonably and consistently.

Note 5: Since the net cash flow from operating activities is net outflow, the related ratio of cash flows is not calculated.

B. Financial Analysis — Based on IFRS (Unconsolidated)

| Year Item | | Financial Analysis for the Past Five Years (Note 1) | | | | |
|-------------------------|--|---|---------|--------|--------|--------|
| | | 2019 | 2020 | 2021 | 2022 | 2023 |
| Financial structure (%) | Debt Ratio | 44.85 | 49.00 | 51.17 | 49.11 | 45.93 |
| | Ratio of long-term capital to fixed assets | 148.68 | 137.45 | 162.73 | 176.03 | 173.65 |
| Solvency (%) | Current ratio | 87.94 | 76.29 | 97.23 | 98.32 | 88.51 |
| | Quick ratio | 63.78 | 56.04 | 65.28 | 69.51 | 60.98 |
| | Interest coverage ratio | (1.86) | (21.08) | 2.46 | 12.80 | 4.25 |
| Operating performance | Accounts receivable turnover (times) | 5.37 | 4.99 | 7.21 | 6.53 | 6.72 |
| | Average collection period | 67.97 | 73.14 | 50.62 | 55.89 | 54.31 |
| | Inventory turnover (times) | 7.50 | 6.28 | 6.51 | 5.47 | 5.18 |
| | Accounts payable turnover (times) | 3.58 | 3.05 | 3.98 | 3.80 | 3.75 |
| | Average days in sales | 48.66 | 58.12 | 56.06 | 66.72 | 97.33 |
| | Fixed assets turnover (times) | 1.37 | 1.21 | 1.82 | 1.94 | 1.77 |
| | Total assets turnover (times) | 0.60 | 0.50 | 0.71 | 0.68 | 0.60 |
| Profitability | Return on total assets (%) | (1.01) | (7.96) | 0.91 | 4.37 | 2.00 |
| | Return on stockholders' equity (%) | (2.46) | (14.48) | 1.31 | 8.22 | 3.00 |
| | Pre-tax income to issued capital (%) | (4.24) | (23.83) | 1.52 | 13.93 | 5.89 |
| | Profit ratio (%) | (2.29) | (15.36) | 0.92 | 5.96 | 2.61 |
| | Earnings per share (NT\$) | (0.45) | (2.47) | 0.21 | 1.39 | 0.53 |
| Cash flow | Cash flow ratio (%) | 38.79 | 0.00 | 4.61 | 7.75 | 14.79 |
| | Cash flow adequacy ratio (%) | 107.48 | 86.66 | 71.83 | 138.00 | 166.40 |
| | Cash reinvestment ratio (%) | 12.35 | (0.25) | 1.43 | 2.46 | 4.11 |
| Leverage | Operating leverage | (13.86) | (1.02) | 22.24 | 10.33 | 15.81 |
| | Financial leverage | 0.66 | 1.06 | 2.08 | 1.33 | 2.55 |

Analysis of financial ratio differences for the last two years:

1. Solvency: decrease in current assets in 2023 led to the decrease of current ratio and quick ratio in 2023.
2. Profitability: decrease in profitability in 2023 was mainly due to the decrease in pre-tax and after-tax income in 2023.
3. Cash flow: increase in net cash inflow in operating activities in 2023 gave rise to the increase in cash flow ratio in 2023.
4. Leverage: the increase in operating leverage in 2023 was mainly due to the substantial decrease in operating income.

Note 1: Financial Ratio Formula

1. Financial Structure analysis

- (1) Debt ratio = Total Liabilities / Total Assets
- (2) Long-term funds to property, plant and equipment = (Total equity + Non-current liabilities) / Property, plant and equipment, net

2. Liquidity analysis

- (1) Current ratio = Current assets / Current liability
- (2) Quick ratio = (Current Assets - Inventories - Prepaid expenses) / Current liability
- (3) Interest coverage ratio = Profit Before Credit for Income Tax / Current interest expense

3. Operating performance analysis

- (1) Average collection turnover (Including Accounts Receivable and Notes Receivable from operation) = Sales / Average trade receivables
- (2) Days to collect accounts receivable = 365 / Average collection turnover
- (3) Average inventory turnover = Cost of goods sold / Average inventories
- (4) Average payment turnover (Including Accounts Payable and Notes Payable from operation) = operating costs / Average trade payables
- (5) Average days to sell inventory = 365 / Average inventory turnover
- (6) Property, plant and equipment turnover = Sales / Average property, plant and equipment, net
- (7) Total assets turnover = Sales / Average total assets

4. Return on investment analysis

- (1) Rate of return on assets = [Profit + Interest expense X (1 - Tax rate)] / Average assets
- (2) Rate of return on equity = Profit / Average total Equity
- (3) Profit to sales = Profit / Sales
- (4) Earnings per share = (Equity attributable to owners of parent - Dividend-preferred stock) / Weighted average outstanding shares

5. Cash flow

- (1) Cash flow ratio = Net cash provided by operating activities / Current liability
- (2) Cash flow adequacy ratio = 5-year net cash provided by operating activities / 5-year (Capital expense + Increase in inventories + Cash dividend)
- (3) Cash flow reinvestment ratio = (Net cash provided by operating activities - Cash dividend) / (Property, plant and equipment, net + Long-term investments + Other non-current assets + Operating Capital)

6. Leverage

(1) Operating Leverage= (Net sales – Variable cost) / Operating income

(2) Financial leverage = Operating income / (Operating income – Interest expenses)

Note 2: The following factors are to be included for consideration for the calculation of earnings per share:

1. It is based on the weighted average common stock shares instead of the outstanding stock shares at yearend.
2. For capitalization with cash or Treasury stock trade, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.
4. If preferred stock shares are nonconvertible and cumulative, the dividend of the year (whether it is distributed or not) shall be deducted from net income or added to the net loss. If preferred stock shares are not cumulative, preferred stock dividend shall be deducted from net income if there is any but it needs not be added to net loss if there is any.

Note 3: The following factors are to be included for consideration for the analysis of cash flow:

1. Net cash flow from operating activity meant for the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant for the cash outflow of capital investment annually.
3. Increase of inventory is counted only when ending inventory exceeds beginning inventory. If the ending inventory is decreased, it is booked as zero value.
4. Cash dividend includes the amount for common stock and preferred stock.
5. Gross Property, plant and equipment meant for the total Property, plant and equipment before deducting the accumulated depreciation.

Note 4: Issuers are to have operating cost and operating expenses classified into the category of fixed and variable. If the classification of operating cost and operating expense involves estimation or discretionary judgment, it must be made reasonably and consistently.

6.3 Audit Committee's Report for the Most Recent Year

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Financial Statements, Business Report and proposal for earnings distribution. The Financial Statements have been audited by CPA, Yi-Chun Chen and Hsiu-Yi Lin from KPMG. The 2023 Business Report, Financial Statements, and proposal for earnings distribution have been audited by us, the Audit Committee of the Company. We found no inconsistencies in these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

Giantplus Technology Corporation
Chairman of the Audit Committee: Jau-Shin Hon

On the date of March 14, 2024

6.4 Financial Statements for the most recent year

Please refer to pages 178 to 236.

6.5 A parent company only financial statement for the most recent fiscal year, certified by a CPA

Please refer to pages 237 to 306.

6.6 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT\$ thousands

| Year Item | 2022 | 2023 | Difference | |
|-----------------------------------|-------------------|-------------------|------------------|-------------|
| | | | Amount | % |
| Current Assets | 6,462,271 | 5,600,045 | (862,226) | (13) |
| Funds and Investments | - | - | - | - |
| Fixed Assets | 5,699,334 | 5,473,238 | (226,096) | (4) |
| Intangible Assets | 5,515 | 391,436 | 385,921 | 6998 |
| Other Assets | 271,296 | 225,766 | (45,530) | (17) |
| Total Assets | 12,438,416 | 11,690,485 | (747,931) | (6) |
| Current Liabilities | 3,323,411 | 2,993,853 | (329,558) | (10) |
| Long-term Liabilities | 1,213,387 | 522,419 | (690,968) | (57) |
| Other Liabilities | 120,425 | 255,960 | 135,535 | 113 |
| Total Liabilities | 4,657,223 | 3,772,232 | (884,991) | (19) |
| Capital stock | 4,415,449 | 4,415,449 | 0 | 0 |
| Capital surplus | 2,618,982 | 2,618,982 | 0 | 0 |
| Retained Earnings | 826,867 | 973,509 | 146,642 | 18 |
| Other Adjustments | (80,105) | (89,687) | (9,582) | 12 |
| Total Stockholders' Equity | 7,781,193 | 7,918,253 | 137,060 | 2 |

Analysis of changes in financial ratios:

1. Decrease in current assets in 2023: mainly because of decrease in net accounts receivable and inventory.
2. Decrease in fixed assets in 2023: mainly because of proceeds from disposal of assets.
3. Increase in intangible assets in 2023: mainly because of the acquisition of rights of patent use.
4. Decrease in total assets in 2023: mainly because of decrease in net accounts receivable and inventory.
5. Decrease in current liabilities in 2023: mainly because of decrease in accounts payable.
6. Decrease in long- term liabilities in 2023: mainly because of decrease in long-term loans.
7. Decrease in total liabilities in 2023: mainly because of the decrease in accounts payable and long-term loans.
8. Increase in retained earnings in 2023: mainly due to the increase in net profit after tax.
9. Decrease in other adjustments of shareholders' equity in 2023: mainly because of the decrease in cumulative translation adjustments on foreign long-term equity investment.
10. According to the abovementioned analysis, there is no major anomaly in the changes of the Company's assets, liabilities and shareholders' equity within the past two years.

7.2 Analysis of Financial Performance

Unit: NT\$ thousands

| Item \ Year | 2022 | 2023 | Difference | |
|---|------------|-----------|-------------|------|
| | | | Amount | % |
| Net Sales | 10,414,370 | 9,042,115 | (1,372,255) | (13) |
| Cost of Sales | 9,275,405 | 8,286,086 | (989,319) | (11) |
| Gross Profit | 1,138,965 | 756,029 | (382,936) | (34) |
| Operating Expenses | 816,442 | 647,383 | (169,059) | (21) |
| Operating Income(loss) | 322,523 | 108,646 | (213,877) | (66) |
| Non-operating Income and Expenses | 301,072 | 170,843 | (130,229) | (43) |
| Income before Tax | 623,595 | 279,489 | (344,106) | (55) |
| Income(loss) Tax Expenses | 9,921 | 43,333 | 33,412 | 337 |
| Cumulative Effect of Change in Accounting Principles | - | - | - | - |
| Net Profit(loss) | 613,674 | 236,156 | (377,518) | (62) |
| Analysis of changes in financial ratios: | | | | |
| 1. Decrease in gross profit in 2023: mainly due to the overall economic downturn, declining market demand, and the lingering impact of high inventory levels. | | | | |
| 2. Decrease in operating income in 2023: mainly due to the impact of global inflation, sluggish market, and inventory adjustments. | | | | |
| 3. Increase in income tax expenses in 2023: mainly due to the increase in the additional tax on undistributed earnings. | | | | |
| 4. Decrease in net profit: mainly due to the impact of global inflation, sluggish market, and inventory adjustments. | | | | |

7.3 Analysis of Cash Flow

7.3.1 Remedy for Cash Deficit and Liquidity Analysis

| Item \ Year | 2022 | 2023 | Variance (%) |
|---|-------|-------|--------------|
| Cash Flow Ratio (%) | 20.98 | 32.43 | 55 |
| Cash Flow Adequacy Ratio (%) | 58.38 | 99.91 | 71 |
| Cash Reinvestment Ratio (%) | 3.45 | 4.41 | 28 |
| Analysis of financial ratio change: <ol style="list-style-type: none"> 1. Increase in cash flow ratio in 2023: mainly due to the increase in cash inflow in Operating activities. 2. Increase in Cash Flow Adequacy Ratio in 2023: mainly due to the decrease in capital expenditures and the total inventory in the past five years. 3. Increase in cash reinvestment ratio in 2023: mainly due to the increase in cash inflow in operating activities. | | | |

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

| Estimated Cash and Cash Equivalents, Beginning of Year (1) | Estimated Net Cash Flow from Operating Activities (2) | Estimated Cash Outflow (Inflow) (3) | Cash Surplus (Deficit) (1)+(2)-(3) | Leverage of Cash Surplus (Deficit) | |
|--|---|-------------------------------------|------------------------------------|------------------------------------|-----------------|
| | | | | Investment Plans | Financing Plans |
| 2,632,964 | 655,634 | 559,070 | 2,729,528 | - | - |
| Remedy for estimated cash shortage and cash flow analysis: Not applicable. | | | | | |

7.4 The Impact Of Major Capital Expenditures On Financial Operations In The Most Recent Fiscal Year

The capital expenditure is mainly comprised of T2 new technology upgrade, process improvement, and annual maintenance.

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

7.5.1 Investment Policy in Last Year

For the business that intends to increase capital or new investment, measure its investment benefits, and then increase capital or investment after reporting to the board of directors.

7.5.2 Main Causes for Profits or Losses and Improvement Plans

| Investee | Main Causes for Profits or Losses | Improvement Plans |
|-----------------|--|---|
| KGO | Main reasons for deficit in 2023: The inventory valuation loss increased, the production and sales decreased, the costs increased and the gross margin decreased. | Expanding the scale of OEM, fully developing the productivity, reducing unit fixed production costs; improving product quality, reducing defect rates; reducing various expenses to subsequently reduce production costs. |

7.5.3 Investment Plans for the Coming Year

There will be no new investment or capital increase plans in the coming year.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Interest rate

Although the money market interest rate has risen slowly, it is still at a relatively low level, and the Company's borrowing rate has not changed much. However, if there is a large fluctuation in the interest rate trend and the Company continues to demand financing, the Company will not only use other capital market financing tools to raise funds, but also observe the interest rate trend and choose to borrow at a fixed rate or a floating rate to avoid the risk of interest rate fluctuations.

2. Foreign exchange rates

Since the Company's gain on export sales is mainly in US dollars, after deducting the US dollar demand for purchases, it presents the net foreign currency position of the US dollar. Therefore, the exchange rate changes will have a certain degree of influence on the profit of the Company; for the current foreign currency held by the Company, the Company will collect relevant information from time to time to take full control of the trend of exchange rate changes, and then consider the level of foreign currency assets and liabilities, examine the various exchange rate risks that the Company may face in the future to purchase forward foreign exchange contracts, or consider bank recommendations to determine the favorable time to make foreign currency exchanges, to control the risk of exchange rate fluctuations.

3. Inflation

The impact of inflation does not currently have a significant impact on the Company's profits and business operations.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The Company did not engage in any high-risk or high-leveraged investments.
2. The Company had formulated "Management of Loans to Others." The borrower must be an entity in whom the Company must hold 50% or more of its share. having a business need for short-term financing and the accumulated amount of such loan shall not exceed 30% of the net worth of the Company. The Company made appropriate risk assessment and no loss occurred after the loans were extended.
3. The Company had formulated "Management of Endorsement and Guarantees." Entities for which the Company may make endorsement or guarantees are mainly related parties. The aggregate amounts of endorsements/guarantees provided by the Company for any single entity shall not exceed 20% of or more of the net worth of the Company. The Company made appropriate risk assessment and no loss occurred after loans were extended.
4. The Company had formulated "Policies and Procedures for Financial Derivatives Transactions" to mainly engaged in foreign currency assets or liabilities exchange rate hedging without engaging in speculative trading. All profits and losses will offset against the foreign exchange gains and losses on the foreign currency assets or liabilities Because of the hedging, no significant gains or loss will incur.

7.6.3 Future Research & Development Projects and Corresponding Budget

In the future, the Company will construct a small and medium-sized TFT display module platform to ensure the integrity and competitiveness of the Company's product line in small and medium-sized displays, and continue to promote the display technology platform. Expected developments are:

1. Continuously devote into developing non-LCD TFT technology for X-ray detector which mainly applied to medical purpose
2. Develop local dimming
3. Develop 3D curve display and free forming technology to improve TP3D and BLU.
4. NTSC 86% & 92% mass production of wide color gamut product completed; develop NTSC 100% product
5. Ultra low power consumption reflective panels with characteristics of energy-saving and wide viewing angle.
6. Low power consumption micro-transmissive panels with characteristics of sunlight readable.
7. Extension of service life by combining use of thin film solar cell and low power consumption outdoor products
8. Develop hovering touch
9. Improvement on automotive panels which have characteristics of high reliability, wide viewing angle, high contrast, high brightness, and fast response time.
10. In-cell touch, featuring light and thin characteristics.
11. Develop switchable anti-peeping technology to improve personal privacy of outdoor and indoor usage of 3C devices.
12. Develop flexible OTFT technology in response to flexible, fordable, roll to roll, and other technology in the future.
13. Develop Cover glass surface processing techniques to meet the demand of vehicle-display surface color integration.
14. Photo-alignment + Photo-alignment polarizer + B/L diaphragm structure technology, to meet the car OEM5.1 specification requirement.
15. SITO on CF combines the existing Touch sensor & CF technology on the same glass to achieve thinness and high transmittance.

16. Electronically controlled active and passive LC lens technology was developed to replace the traditional mechanical zoom system.
17. A cholesteric liquid-crystal display (ChLCD) technology developed for low power consumption products such as e-books and e-labels;

In 2024, the total budget for R&D investment is expected to reach NT\$202,596 thousand.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

1. In order to reduce production costs, the Company has moved labor-intensive production lines to Mainland China. As there are still controls on import and export trade and foreign exchange in the Mainland China. Any changes in the policy of Mainland China there may have a negative impact on the Company's business activities in the Mainland China.
2. In recent years, global environmental awareness has increased and the impact of climate change has been severely affected. International environmental protection regulations, such as the Kyoto Protocol, the Restriction of Hazardous Substances in Electrical and Electronic Equipment (ROHS) announced by the European Union, Waste Electrical and Electronic Equipment (WEEE), REACH, carbon footprint reduction, etc., all take environmental protection as an important appeal, emphasizing that green environmental protection electronic product design and manufacturing is the future industrial development trend. The Company has invested considerable resources to actively promote environmental protection activities and continue to improve pollution reduction. It also requires suppliers to set up a green supply chain system to minimize the impact of this important international policy on the Company.

7.6.5 Effects of and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Sales

The demand for display products has changed from black and white to color panels, and this shift could create higher product prices and increase volume of business. Although the cost of product development and design has risen significantly, the Company proactively introduced the concept of design services to enhance the added value of products and to keep in line with the large quantity characteristics of mainstream market products to produce products of universal specifications.

As the larger size TFT production line was introduced along with the production of small and medium-sized panels, the cost competition pressure is growing. The Company has taken measures to start the research and development and production of high-margin, non-LCD technology and other products. As new products enter the market, they will be able to share the increased R&D expenses.

There was no major information security incident or loss impact caused by information security incident.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Not applicable.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

Not applicable.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

Not applicable.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The procurement of components, production and sales are arranged according to the order arrangement in order to meet customer demand, improve production efficiency and reduce costs. Some of the vendors or customers accounted for a higher proportion of the Company's business; however, the customers are relatively scattered, no significant risks are expected. In terms of sales, we actively explored our business and expanded our customer base. In terms of purchases, as the volume of business grew, the volume of purchases increased, and all major cases developed multiple supply chains to enhance material mastery and bargaining power. As the trend of industrial control and vehicle-mounted products tends to be medium-sized (seven inches to ten inches), the quality and technical requirements are relatively high. In addition to actively developing new supply chains, the logistics management center also optimizes and strives to reduce production costs through group resource integration.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

Not applicable.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

7.6.12 Litigation or Non-litigation Matters

In terms of the receivables due from CHUNGHWA PICTURE TUBES, LTD., the court ruling was final for the Company to proceed with compulsory enforcement.

7.6.13 Other important risks and measures in response:

- (1) The organizational structure of the Company's risk management includes the Board of Directors, Risk Management Committee, Risk Management Team, and responsible units, with relevant responsibilities as follows:

- Board of Directors: The highest responsible unit for risk management of the Company, responsible for approving the Company's risk management policies and related regulations, overseeing the overall implementation of risk management, and ensuring effective risk control.
- Risk Management Committee: The Company has established a Risk Management Committee under the Board of Directors to oversee the operational mechanism related to risk management and report annually to the Board of Directors.

The Risk Management Team, with the general manager serving as the convener, conducts a comprehensive assessment of the Company's operational and emerging risks and presents a risk management report to the Risk Management Committee.

- Responsible units: The management of business and functional units regularly conducts relevant risk assessment in operation meetings, and prepares countermeasures and reviews. The supervisors of each unit are responsible for risk management and should analyze, monitor and report the relevant risks of their units and implement risk control mechanisms and procedures.
- Internal Audit Office: Responsible for assessing the risk within the Company's operations through cyclical audits to ensure that all operating units properly manage risk, providing advice and guidance on risk matters in the operating divisions.

- (2) Risk Management Process:

The Company's risk management process includes risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanism.

a. Risk identification

The Risk Management Team of the Risk Management Committee identifies and evaluates critical and emerging risks in the environment (including climate), society, economy, technology, and other aspects of the Company's operations based on the principle of materiality, considering the possibility of risk occurrence, the degree of impact, and other variables. Risk identification at the corporate level is conducted at least once a year and reported to the Risk Management Committee.

b. Risk analysis

Responsible units shall evaluate risks annually through the process of risk identification, assessment, analysis and evaluation, and continuously review and improve and track controls.

c. Risk assessment

Based on predicting and measuring the possible damage caused by risks, appropriate selection and evaluation of effective methods to deal with risks, such as avoiding risks, preventing risks, self-insurance risks, transferring risks, etc.

d. Risk Response

Responsible units should formulate appropriate handling plans to ensure relevant personnel thoroughly understand and carry out the plans, and continuously monitor the implementation of pertinent handling plans.

e. Risk Monitoring and Review

Continuous reviews of the management plan's efficacy should be performed to guarantee that risk management is fully implemented.

(3) Risk management operations:

In order to improve the functions of the Company's Board of Directors and strengthen the risk management mechanism, the Company's Board of Directors approved the Risk Management Committee's organizational procedures, risk management policies, and procedures on November 9, 2022. It is expected that this procedure will provide the correct concept of risk management, a unified communication language, and an integrated structure to smoothly establish, promote and enhance risk management capabilities, effectively reduce the possibility of operational risks, and avoid the negative effects of various operational risk possibilities, to effectively achieve the Company's goal of assisting customers and suppliers in their development and the Company's sustainable operation. The Board of Directors approved the appointment of three risk management members for the term of office until the current Board of Directors expiration date.

The Risk Management Committee (term of service: from November 9, 2022 to June 22, 2025) convened a meeting on December 20, 2023, and reported the implementation status to the Board of Directors on the same day.

| Name | Title | Expertise | Attendance in 2023 | Attendance rate in 2023 |
|---------------|---------------------------------|---------------------------|--------------------|-------------------------|
| YAO-HSUN HUNG | Independent Director (Chairman) | Business risk management | 1 | 100% |
| JIA-LI SHIH | Independent Director | Law | 1 | 100% |
| PO-TSUN LIU | Independent Director | Optoelectronic technology | 1 | 100% |

7.7 Other Important Matters

Not applicable.

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Relationship Report

1. Overview of the relationship between affiliated companies and controlling companies

Unit: share, %

| Company | Relationship | Shares and Pledge | | | Director, Supervisor or managers | |
|--------------------------------|----------------|-------------------|--------|--------|----------------------------------|--|
| | | Shares | % | Pledge | Title | Names |
| TOPPAN Holdings Inc. (Note) | Parent Company | 234,481,757 | 53.10% | - | Director | Representative of TOPPAN Holdings Inc: TAMURA Takayuki, NAKAMURA Koji (dismissed on January 1, 2024), NUMAZAWA Sadahiro, SAKAI Hiroyuki (dismissed on April 1, 2023) TOMOBE Minako (inaugurated on April 1, 2023) |

Note: TOPPAN Holdings Inc. adjusted its organizational structure in October 2023, with the original parent company renamed as TOPPAN Holdings Inc.

2. Transactions

(1) Sale and purchase transactions.

TOPPAN Holdings Inc.:

Unit: NT\$ thousands, %

| Transactions | | | | Trading conditions | | General trading conditions | | Reason for difference | Accounts receivable and accounts payable | | Overdue accounts receivable | | | Notes |
|----------------|-----------|--------|--------------|--------------------|-------------------------|----------------------------|--------------------|-----------------------|--|---|-----------------------------|--------|-------------------------|-------|
| Sale /purchase | Amount | % | Gross margin | Unit price | Credit period | Unit price | Credit period | | Balance | % | Amount | Method | Allowance for bad debts | |
| Sale | (364,460) | (4.03) | - | - | T/T in advance 45 | - | T/T in advance 90 | - | - | - | - | | - | - |
| Purchase | 8,745 | 0.21 | - | - | T/T in advance 45 to 90 | - | T/T in advance 120 | - | - | - | - | | - | - |

(2) Property transaction: None.

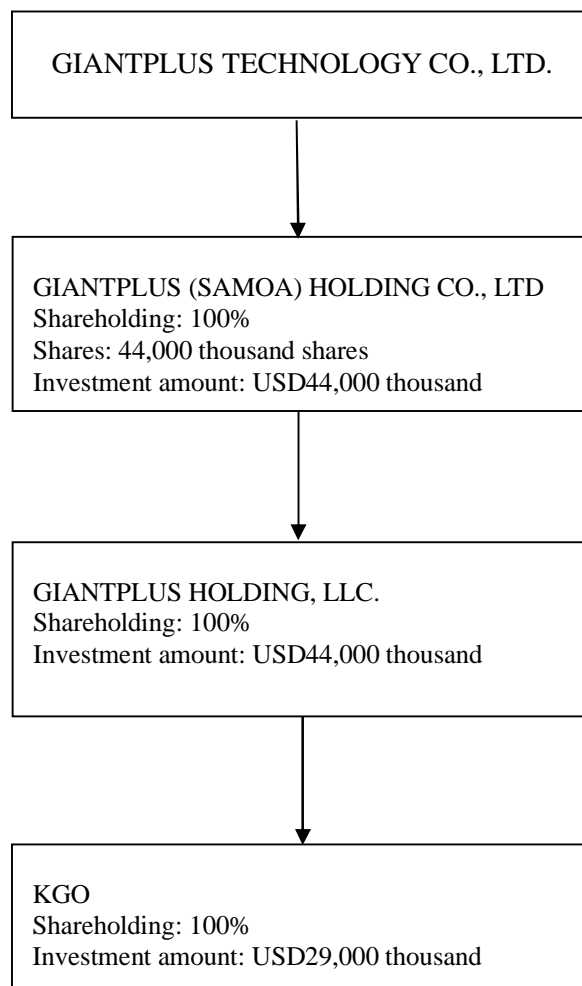
(3) Capital Finance: None.

(4) Asset leasing: None.

(5) Other important transaction: None.

8.1.2 Summary of Affiliated Companies

1. Organizational chart of affiliated companies



2. Giantplus Subsidiaries

December 31, 2023

| Company | Date of Incorporation | Address | Capital Stock | Business Activities |
|-------------------------------------|-----------------------|---|---|---|
| GIANTPLUS (SAMOA) HOLDING CO., LTD. | 2000/02 | Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa | NTD1,397,086 thousand | Investment |
| GIANTPLUS HOLDING L.L.C. | 2000/02 | 605 Geddes street, Wilmington, Delaware 19805 | NTD1,397,086 thousand | Investment |
| KGO | 2010/01 | No. 89, YuanFeng Rd., Yushan Township, Kunshan City, JiangSu, China | USD29,000 thousand (NTD:USD=1: 30.705) | Assembly LCD module and sale touch panel |

3. Presumed to be the same shareholder information for those with control and affiliation: None.

4. The overall relationship business

| Company | Business Activities | Division |
|-------------------------------------|---|--|
| GIANTPLUS (SAMOA) HOLDING CO., LTD. | Investment | Not applicable |
| GIANTPLUS HOLDING L.L.C. | Investment | Not applicable |
| KGO | Assembly LCD module and sale touch panel | The Company's China operations base |

5. Information on directors, supervisors and presidents

December.31, 2023

| Company | Title | Name | Shareholding | |
|-------------------------------------|---|---|--------------------|---------------------------|
| | | | Shares | % (Investment Holding) |
| GIANTPLUS (SAMOA) HOLDING CO., LTD. | Sole Director | Giantplus Technology Co., Ltd. TAMURA Takayuki | USD44,000 thousand | 100% |
| GIANTPLUS HOLDING L.L.C. | Operating Manager | GIANTPLUS(SAMOA) HOLDING CO., LTD. TAMURA Takayuki | USD44,000 thousand | 100% |
| KGO | Chairman Director Supervisor President | GIANTPLUS HOLDING L.L.C. Jia-Chiuan Pu Te-Chi, Liu, Mu-Sheng, Lu Yi-Yan Liao Cheng-Kuang Chan | USD29,000 thousand | 100% |

6. Operational Highlights of Giantplus Subsidiaries

December 31, 2023, Unit: NT\$ thousands

| Company | Capital Stock | Assets | Liabilities | Net Worth | Net Revenue | Income (Loss) from Operation | Net Income (Loss) | Basic Earnings (Loss) Per Share |
|--|---------------|-----------|-------------|-----------|-------------|---------------------------------------|-------------------------|---|
| GIANTPLUS (SAMOA) HOLDING CO., LTD. | 1,397,086 | 3,836,035 | 17,125 | 3,818,910 | - | (18,465) | 32,757 | Not Applicable |
| GIANTPLUS HOLDING L.L.C. | 1,397,086 | 1,266,977 | 6,120 | 1,260,857 | - | (214) | (15,387) | Not Applicable |
| KGO | 890,445 | 2,188,133 | 1,620,979 | 567,154 | 1,298,812 | 677 | (35,890) | Not Applicable |

8.1.3 Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10 recognized by the Financial Supervisory Commission. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

Company Name: Giantplus Technology Co., Ltd.

Chairman: TAMURA Takayuki

On the date of March 14, 2024

8.2 Private Placement Securities Handling Situation For The Most Recent Fiscal Year And Up To The Printing Date Of The Annual Report: None.

8.3 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years Up To The Printing Date Of The Annual Report: None.

8.4 Other Necessary Supplementary Explanations: None.

IX. Events That Significantly Affect Shareholders' Equity or The Price Of Securities, As Defined By Article 36, Paragraph 2, Subparagraph 2 Of This Law, For The Most Recent Fiscal Year And Up To The Printing Date Of The Annual Report: None.

GIANTPLUS TECHNOLOGY CO., LTD.
Corporate Governance Best Practice Principles

Chapter I Encouraging Shareholders to Participate in Corporate Governance

Article 1

To establish sound corporate governance systems, GIANTPLUS be followed by principles the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopted, establishing an effective corporate governance framework and disclosing them through the Market Observation Post System (MOPS).

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, GIANTPLUS shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of audit committees.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3

GIANTPLUS shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct reviews of the system from time to time in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

GIANTPLUS shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or independent directors shall also attend to and supervise these matters.

The management of GIANTPLUS shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Article 3-1

GIANTPLUS is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities or TWSE a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs. The corporate governance affairs mentioned in the preceding paragraph shall include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Preparing the board meeting minutes and shareholders meeting minutes.
3. Assisting in onboarding and continuous development of directors and independent directors
4. Furnishing information required for business execution by directors and independent directors.
5. Assisting directors and independent directors with legal compliance.
6. Reporting to the board of directors the results of examination as to whether the qualifications of independent directors at the time of their nomination and election and during their term of office conform to applicable laws and regulations.
7. Handling matters related to director changes.
8. Other matters set out in the Articles of Incorporation or contracts.

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

The corporate governance system shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

GIANTPLUS shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5

GIANTPLUS shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations and provide comprehensive rules for such meetings. GIANTPLUS shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of GIANTPLUS shall comply with laws, regulations and Articles of Incorporation.

Article 6

The board of directors of GIANTPLUS shall properly arrange the agenda items and procedures, formulate principles and operating procedures for shareholders to nominate directors, independent directors, and proposals for the shareholders' meeting. The board of directors shall also properly deal with the proposals duly submitted by the shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location and set up virtual shareholders' meetings, if possible, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. Shareholders may not be arbitrarily required to provide additional documentation beyond proof of eligibility to attend; and shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

The shareholders' meeting convened by the board of directors with the board chairperson chair the meeting, and more than half of the directors (including at least one independent director), convener of the audit committee (or more than half of the audit committee members), and other functional committee members at least one representative shall be present in person. Attendance details also shall be recorded in the shareholders meeting minutes.

Article 7

GIANTPLUS shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secured basis. GIANTPLUS shall seek all ways and means, including fully exploiting technologies for information disclosure, upload annual reports, annual financial statements, notices, agendas, and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

GIANTPLUS is advised to avoid raising extraordinary motions and amendments to original proposals.

GIANTPLUS arranges voting on each separate proposal in the shareholders meeting agenda for their shareholders, and following conclusion of the meeting, enters the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8

GIANTPLUS in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence and should be sufficiently disclosed on the Company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

GIANTPLUS shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the material information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, GIANTPLUS shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

The matters in the preceding paragraph shall include the stock trading control measures taken by the Company's insiders from the date they learn of the Company's financial report or the Company's related performance content, including (but not limited to) prohibiting directors to trade their shares during the 30-day period preceding the release of the annual financial report or the 15-day period preceding the release of the quarterly financial report.

Article 11

The shareholders shall be entitled to profit distributions by GIANTPLUS. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector to examine the accounting records, property, particulars, documents and records of specific transaction of the Company.

The board of directors, audit committee and managers of GIANTPLUS shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, GIANTPLUS shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When GIANTPLUS is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.

When the management or a major shareholder of GIANTPLUS is involved in a merger or acquisition, a legal opinion by an independent lawyer shall be issued to review if members of the audit committee to review the merger and acquisition in the preceding paragraph have met the requirement of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, to ensure they are not a related party to a counterparty of the merger and acquisition transaction or do not have such interest that would influence their independence, whether the design and implementation of the relevant procedure meet the applicable laws, and if a full disclosure has been made in accordance with the applicable laws.

Qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer shall not be a related party to a counterparty of the merger and acquisition transaction or shall not have such interest that would influence their independence.

The relevant personnel of GIANTPLUS handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13

In order to protect the interests of the shareholders, it is advisable that GIANTPLUS designates personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes. It shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors or managers in performing their duties.

Article 13-1

The Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, GIANTPLUS together with officers shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Related Parties

Enterprises

Article 14

GIANTPLUS shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by the laws and regulations, a manager of GIANTPLUS may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16

In compliance with applicable laws and regulations, GIANTPLUS shall establish sound objectives and systems for management of finance, operations, and accounting. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers and implement the necessary control mechanisms to reduce credit risk.

Article 17

When GIANTPLUS and its related parties and shareholders enter into financial or business dealings or transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper channeling of interests shall be prohibited.

The content of the written agreement mentioned in the preceding paragraph shall include regulatory procedures governing transactions such as purchase and sale of goods, acquisition and disposal of assets, loans of funds, and provision of endorsements and guarantee etc. Relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.

Article 18

A corporate shareholder having controlling power over GIANTPLUS shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.

3. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

GIANTPLUS shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

GIANTPLUS shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20

The board of directors of GIANTPLUS shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its Articles of Incorporation, and the resolutions of its shareholders meetings.

The structure of GIANTPLUS' board of directors shall be determined by choosing an appropriate number of board members in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
 1. Ability to make operational judgments.
 2. Ability to perform accounting and financial analysis.
 3. Ability to conduct management administration.
 4. Ability to conduct crisis management.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership skills.
 8. Ability to make policy decisions.

Article 21

GIANTPLUS shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views. Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of GIANTPLUS.

When the director discharge for any reason, and there are fewer than five people, the Company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the company shall convene a special shareholder meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all the directors of GIANTPLUS shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

GIANTPLUS shall adopt the candidate nomination system for elections of directors pursuant to the laws and regulations of the competent authority, and carefully evaluate the qualifications of the nominees, and the existence of any other matters set forth in Article 30 of the Company Act with respect to the director candidates recommended by shareholders or directors, and also in accordance with Article 192-1 of the Company Act.

Article 23

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of GIANTPLUS and those of its president.

It is inappropriate for the chairperson to also act as the president.

Section 2 Independent Director System

Article 24

GIANTPLUS shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than two in number and not less than one-third of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties and may not have any direct or indirect interest in the company.

If GIANTPLUS and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, GIANTPLUS shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, GIANTPLUS shall disclose the number of votes cast in favor of the elected independent director. The “group enterprises and organizations” in the preceding paragraph comprise the subsidiaries of GIANTPLUS, any foundation to which GIANTPLUS’ cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.

Article 25

GIANTPLUS shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsements, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26

GIANTPLUS or other members of the Board of Directors shall not obstruction, rejection or circumvention independent directors from performing their duties.

GIANTPLUS shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the Company and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Audit and Functional Committees

Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of GIANTPLUS, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to paragraph 4, Article 14-4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28

GIANTPLUS audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.

Article 28-1

GIANTPLUS shall establish a remuneration committee and more than half of its members should be held by independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2

GIANTPLUS is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29

In order to improve the quality of financial reports, GIANTPLUS shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

The accounting staff involved in the preparation of financial reports shall also attend more than six hours of professional courses per year, and their training may be by participating in the Company's internal education and training or professional courses organized by relevant training institutions.

GIANTPLUS shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions.

GIANTPLUS shall, based on Audit Quality Indicators (AQIs) as reference, evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30

It is advisable that GIANTPLUS engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31

The board of directors of GIANTPLUS shall meet at least once every quarter or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

GIANTPLUS shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of GIANTPLUS shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting. In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS before two hours of the beginning's trading hours on the first business day following the date of the Board of Directors meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee) but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34

Staff personnel of GIANTPLUS attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations. The minutes of the board of director meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means. A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

GIANTPLUS shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, except for semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, however a charity donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36

GIANTPLUS shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation. The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that GIANTPLUS shall formulate methods and procedures for evaluating board performance. In addition to the regular annual self-evaluation of the board and individual directors, it may also engage external professional institutions or undertake any other appropriate measures to conduct the performance evaluation. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company's needs:

1. The degree of participation in the Company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members shall include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their grasp of the Company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the Company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that GIANTPLUS shall conduct a performance evaluation of the functional committee which includes the following aspects, and also take into account the need of the Company:

1. The degree of participation in the company's operations.
2. Recognition of the responsibilities of the functional committee. 3. Improve the decision-making quality of functional committees.
3. The composition of the functional committee and the selection of its members.
4. Internal control.

GIANTPLUS is advised to submit the results of the performance evaluation to the Board of Directors and use it as a reference for directors' remuneration and a nomination for renewal.

Article 37-1

It is advisable that GIANTPLUS shall establish a succession plan for the management. The development and implementation of such plans shall be periodically evaluated by the Board of Directors to ensure sustainable operation.

Article 37-2

The Board of Directors shall evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the Company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property management policies, objectives, and systems that are linked with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its management systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property management system.
4. Observe the internal and external risks and opportunities that intellectual property management may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property management regime meet the Company's expectations.

Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

Article 39

GIANTPLUS is advised to take out directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

After GIANTPLUS took out or renewed the liability insurance for the directors, it is advised to report the insured amount, coverage, premium rate, and other major contents of the liability insurance at the next board meeting.

Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter IV Respecting Stakeholders' Rights

Article 41

GIANTPLUS shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholder section on its website. When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42

GIANTPLUS shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43

GIANTPLUS shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or independent directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 44

In developing its normal business and maximizing the shareholders' interest, GIANTPLUS shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company's social responsibility.

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45

GIANTPLUS shall faithfully fulfill its obligation to disclose information in accordance with the relevant laws and the related TWSE rules.

GIANTPLUS shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 46

In order to enhance the accuracy and timeliness of the material information disclosed, GIANTPLUS shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

GIANTPLUS shall appoint one or more acting spokespersons who shall represent the Company. When the spokesperson cannot perform his/her duties, any of the acting spokespersons shall be able to speak publicly on behalf of the spokesperson, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, GIANTPLUS shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47

In order to keep shareholders and stakeholders fully informed, GIANTPLUS is advised to utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. GIANTPLUS also shall be furnish the financial, corporate governance, and other relevant information in English. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48

GIANTPLUS shall hold an investor conference in compliance with the regulations of the TWSE and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49

GIANTPLUS' website shall create and maintain a dedicated section to disclose and update the corporate governance-related information, which will continuously update:

1. Board of Directors: resumes, powers and responsibilities of board members, diversity policy, and board member implementation.
2. Functional committees: including the members' resumes and responsibilities for each functional committee.
3. Corporate governance-related regulations: including the Articles of Incorporation, the Rules of Procedure of the Board of Directors and the Organizational Rules of the Functional Committees.
4. Important information related to corporate governance: including information on establishing a corporate governance officer.

Chapter VI Supplementary

Provisions

Article 50

GIANTPLUS shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51

The Principle shall be implemented after obtaining approval by the board of directors; the same shall apply to amendments.

Article 52

The Principles were enacted on December 25, 2014.

The Principles were first amended on March 27, 2017.

The Principles were second amended on March 23, 2021.

The Principles were third amended on March 17, 2022.

The Principles were amended for the fourth time on March 14, 2024.

GIANTPLUS TECHNOLOGY CO., LTD.

Sustainable Development Best Practice Principles

Chapter I General Principles

Article 1

The Company promulgates corporate social responsibility principles in accordance with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development.

Article 2

The Principles apply to the entire operations of the Company and its business group. The Company actively fulfill their sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article 3

In promoting sustainable development, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4

To implement sustainable development, the Company are advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

Article 5

The Company shall take into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of the Company as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors.

Chapter II Exercising Corporate Governance

Article 6

The Company are advised to follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management and Guidelines for Conduct, and the Code of Ethical Conduct for the Company to establish effective corporate governance frameworks and relevant ethical standards to enhance corporate governance.

Article 7

The directors of a the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in promoting the Company's sustainable development goals:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives;
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

On a regular basis, the Company is advised to organize education and training on the implementation of sustainable development promoting, including the promotion of the matters prescribed in Paragraph 2 of the preceding article.

Article 9

The Company shall establish a governance structure for the promotion of sustainable development and set up a dedicated unit for the promotion of sustainable development, which shall be responsible for proposing and implementing sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

Article 10

The company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter III Fostering a Sustainable Environment

Article 11

The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company is advised to strive to improve the efficiency of the use of energy and resources and use renewable materials which have a low impact on the environment to improve the sustainability of natural resources.

Article 13

The Company shall establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Reviewing the environmental sustainability objectives and goals on a regular basis.

Article 14

The Company is advised to establish a dedicated unit or assign dedicated personal for maintaining relevant environment management systems and hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15

The Company shall take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company are advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally acquired electricity, heating, or steam.
3. Other indirect emissions: emissions from the Company's operations that are not indirect emissions from energy sources, but rather from sources owned or controlled by other companies.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes to minimize the impact of their business operations on climate change.

Chapter IV Preserving Public Welfare

Article 18

The Company shall comply with relevant laws and regulations, fulfill its responsibility to protect human rights and comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities. The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19

The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The Company shall provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company shall organize training on safety and health for their employees on a regular basis.

Article 21

The Company are advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company listed companies shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions

The Company all respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The Company treats consumers or consumer in a fair and reasonable way, including the principle of contractual fairness and integrity, attention and loyalty obligations, truthful advertising, merchandise or service suitability , informing and disclosure, remuneration and performance equity, appeal protection, professionalism of business personnel to protect customer or consumer rights.

Article 23

The Company shall take responsibility for their products and services and take marketing ethics seriously.

Article 24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage their rights or interests.

Article 25

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The Company are advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The Company are advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The Company are advised to assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against corporate social responsibility policy. When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company are advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter IV Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information according to relevant laws, regulations and the sustainable development for the Company and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance promotion.
4. Major stakeholders and their concerns.
5. Other information relating to sustainable development.

Article 29

The Company shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter VI Supplementary Provisions

Article 30

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to enhance the effectiveness of promoting sustainable development.

Article 31

The Principle and any amendments hereto are approved by Audit Committee and shall be implemented after adoption by resolution of the board of directors and reported to the shareholders meeting.

Article 32

The Principles were enacted on December 25, 2014.

The Principles were first amended on March 27, 2017.

The Principles were second amended on March 23, 2021.

The Principles were third amended on March 17, 2022.

GIANTPLUS TECHNOLOGY CO., LTD.

Procedures for Ethical Management and Guidelines for Conduct

Article 1

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies with a view to providing all personnel of the Company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Company's accumulated contributions, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5

The Company shall designate the administrative management service as the solely responsible unit (hereinafter, "responsible unit") and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation and submit regular reports to the board of directors at least once a year.

Article 6 (Prohibition of unreasonable gifts, hospitality or accepting improper benefits)

The Company absolutely prohibits the employees of the Company from requesting any gift, preferential or special treatment, including business or customs, directly or indirectly to suppliers, distributors or customers who have business dealings with the Company or seek to trade with the Company, including any compliments, discounts or other forms of hospitality. All employees of the Company are prohibited from accepting gifts or offers from any supplier, distributor or customer. However, souvenirs or promotional gifts with a value of no more than NT\$3,000 or the Company's souvenir with custom-printed logo are not prohibited as required by local customs and customs. Other items or cash shall be rejected in a polite manner stating the Company policy. If it is not possible to reject it, the item must be handed over to the Human Resources Department for proper disposal. The employees of the Company shall not accept the prizes or gifts from any related suppliers during the Company's celebration and networking activities.

The employees of the Company are strictly forbidden to accept the hospitality provided by the supplier, dealer or customer during any journey except during business travel and when approved by the Company.

The employees of the Company shall not borrow money from the Company's supplier, dealer, customer, or engage in any leasing with or without consideration or engage in any borrowing.

Article 7 (Prohibition of illegal political contributions)

The employees of the Company directly or indirectly provide donations to political parties or organizations or individuals of political activities, which shall comply with the political contribution law and relevant internal operating procedures of the Company, and shall not be used for commercial interests or trading advantages.

Article 8 (Prohibition of improper charitable donations or sponsorships)

The employees of the Company shall comply with relevant laws and internal procedures when making charitable donations or sponsorships, and shall not engaged in any disguised form of bribery.

Article 9 (Prohibition of infringement of business secrets, trademarks, patents, copyrights and other intellectual property rights)

The employees of the Company shall abide by the relevant regulations of intellectual property, the procedures of internal operating and contractual provisions; shall not use, leak, dispose of damage or otherwise infringe intellectual property rights without the consent of the owner of intellectual property rights.

Article 10 (Prohibition of unfair competition)

The employees of the Company shall engage in business activities in accordance with relevant competition regulations, and may not rigid prices, manipulate bids, limit production and quotas, or share or segment markets by assigning customers, suppliers, operating areas or business types.

Article 11 (Prevent products or services from harming stakeholders)

The employees of the Company shall follow the relevant laws and international standards in the research and development, procurement, manufacturing, supply or sales of products and services to ensure the information transparency and security of products and services, and to develop and disclose their consumers or other stakeholder protection policies and implement them in operational activities to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other interested parties. In the event that it is true that the goods and services are harmful to the safety and health of consumers or other interested parties, in principle, the batch of products should be recycled or their services should be stopped.

Article 12

The directors of the Company shall be highly self-disciplined. When the directors themselves or their legal persons have a stake in the resolutions set out by the board of directors, which may be harmful to the interests of the Company, they may express their opinions and answer questions but not participate in discussions and voting, and they shall recuse themselves from the discussions and voting and no other directors may be allowed to act as a proxy to exercise their voting rights. Directors should also be self-disciplined and do not support each other inappropriately.

When the employees of the Company find themselves, or the legal entity then present, in conflict of interest with the Company, when performing their business, or they may cause themselves, spouse, parents, children or their interested parties to obtain illegitimate interests, the related matters shall be reported to the direct supervisor and the Company's special unit, and the direct supervisor shall provide appropriate guidance.

The employees of the Company may not use resources of Company except for commercial activities of the Company, and may not affect work performance due to participation in other business activities.

Article 13 (Avoidance of conflict of interest)

The employees of the Company may not use their position or influence in the Company to obtain illegitimate benefits for themselves, their spouses, parents, children or anyone else.

Article 14

The Company shall set up a special unit dealing with trade secrets, responsible for formulating and implementing the management, preservation and confidentiality procedures of the Company's trade secrets, and shall regularly review the implementation results to ensure that its operating procedures are still effective.

Article 15

The employees of the Company shall strictly abide by the relevant operational rules of trade secrets of the Company, and shall not disclose trade secrets of the Company to others, and may not inquire or collect the business secrets of non-job-related companies.

Article 16

The employees of the Company shall abide by the Securities Exchange Act and shall not engage in insider trading using the undisclosed information they know, nor disclose it to others to prevent others from using the such information to engage in insider trading.

Article 17

Other institutions or personnel involved in the merger, division, acquisition and share transfer, important memorandum, strategic alliance, other business cooperation plan or important contract of the Company shall sign a confidentiality agreement with the Company and commit to not disclosing the trade secret of the Company or other material information n they are aware of to others and may not use the information without obtaining consent from the Company.

Article 18

The Company discloses its integrity management policies on internal regulations, annual reports, company websites or other publications, and declares at appropriate time in product announcements, corporate briefings to make its suppliers, customers or other business-related institutions and personnel can clearly understand its integrity management philosophy and norms.

Article 19

Before establishing a business relationship with others, the Company shall first assess the legality, integrity management policies of agents, suppliers, customers or other business contacts, and whether there have been records of dishonesty to ensure that its business operations are fair, transparent and does not require, offer or accept bribes.

When conducting the assessment of the preceding paragraph, the Company shall adopt an appropriate procedure to examine the following matters to understand the status of business partner's integrity management:

1. The country, location, organization structure, operating policy and payment location of the company
2. Whether the company has a policy of integrity management in place and its implementation
3. Whether the location where the company operates in is a country with high risk of corruption
4. Whether the business the company engages in is a high-risk industry
5. The long-term operating status and goodwill of the company
6. Consult their business partners for their opinions on the company
7. Enquire whether the company was ever recorded acts of dishonesty, such as bribery or illegal political contributions.

Article 20

In the course of engaging in business conduct, the employees of the Company shall explain to the transaction counterparty the Company's integrity management policies and related regulations, and expressly refuse to provide, promise, demand or accept any form of improper benefits, including rebates and commissions, directly or indirectly, facilitating payments or providing or receiving undue benefits through other channels.

Article 21

The employees of the Company should avoid engaging in commercial transactions with agents, suppliers, customers or other business partners who operate in bad faith. If they find any business dealings or untrustworthy partners, they shall immediately terminate business relationship with them and list them as rejected business partners to implement integrity management policy of the Company.

Article 22

When the Company signs a contract with others, it shall fully understand the other party's integrity management status, and incorporate the integrity management into the contract terms. At least the following items shall be clearly stated in the contract:

1. Any party who learns that a person has violated the contractual terms of prohibition of commission, kickback or other benefits shall promptly inform the other party of the person's identity, the manner of the offer, promise, request or receipt, amount, or other benefits, and provide relevant evidence and cooperate with other parties for investigation.
2. In the event any party is involved in an act of dishonesty in a business activity, the other party may terminate the contract at any time unconditionally.
3. Setting clear and reasonable payment terms, including payment location, method, and relevant tax regulations to be complied with.

Article 23

When the Company discovers or receives reports of acts of dishonesty involving the employees of the Company, it shall promptly ascertain the relevant facts. If it is confirmed that there is a violation of relevant laws or the Company's integrity management policies and regulations, the person committing such act shall be immediately requested to discontinue such action. The Company will render appropriate disciplinary actions, and when necessary, claim damages to safeguard the Company's reputation and interests through legal proceedings.

The Company shall instruct the relevant units to carry out an assessment for the relevant internal control systems and operating procedures' the dishonest acts occurred and propose improvement measures to prevent the recurrence of the same acts.

The Company's dedicated unit shall report to the Board of Directors the dishonest acts, its handling method, and subsequent assessment and improvement measures.

Article 24

When the employees of the Company find a person commits act of dishonesty against the Company, if the act is illegal, the Company shall notify the judicial and prosecutorial organs of the relevant facts. If a government entity or officer is involved, the Company shall notify the government's integrity administration.

Article 25

The Company shall incorporate integrity management into employee performance appraisal and human resources policies, and establish a clear and effective reward and punishment and appeal system.

In the event any employee of the Company commits material violation of integrity, such employee shall be dismissed according to relevant laws or regulations.

The Company shall disclose information such as the title and name of the person committing a violation, date of violation, violation fact and handling of the breach of integrity on the internal website.

Article 26

The Procedures and Guidelines and any amendments hereto are approved by the Audit Committee and shall be implemented after adoption by resolution of the board of directors and reported to the shareholders meeting.

Article 27

The Procedures were established on December 24, 2012, first amended on March 6, 2014, second amended on March 20, 2015, and third amended on March 19, 2020.

Giantplus Technology Co., Ltd.

Statement of internal control system

Date: March 14, 2024

According to the examination on internal control systems done by the Company itself in 2023, we hereby state as follows:

- I. The Company's board of directors and management team understand their responsibilities of developing, implementing and maintaining the Company's internal control system, and such a system has been established. The purpose of establishing the internal control system is to reasonably assure the following objectives: The effectiveness and efficiency of business operation (including earnings, operation performance, and the safeguard of company assets); The reliability of the financial and related reports; and the compliance of the relevant laws/regulations and company policies;
- II. Due to the innate limitations in designing a faultless internal control system, this system can only assure that the reasonableness of the above three objectives has been fairly achieved. In addition, the effectiveness of the internal control system may change over time due to the change of the business environment or situation. Since the Company's internal control system has included a self-examination capability, the Company will make immediate corrections when errors are detected.
- III. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the "Guidelines for the Establishment of Internal Control Systems by Public Companies" (the Guidelines). The Guidelines are made to examine the following five factors during the management and control process: (1) control environment, (2) risk assessment and response, (3) control activities, (4) information and communication, and (5) Supervision. Each factor also includes several items. Details of each factor can be found in the Guidelines.
- IV. The Company has examined the effectiveness of each respected area in the internal control system based on the Guidelines.

- V. The examination results indicated that the Company's internal control system (including subsidiary governance) dated December 31, 2023 had effectively assured that the following objectives had been reasonably achieved during the assessing period: The degree of effectiveness and efficiency of business operation; The reliability of the financial and related reports; The compliance of the relevant laws/regulations and company policies
- VI. This Statement is a significant part of the Company's annual report and prospectus available to the general public. If it contains false information or omits any material content, the Company is in violation of Article 20, Article 32, Article 171, and Article 174 set forth in the Taiwan's Securities and Exchange Act.
- VII. The Company hereby declares that this statement had been approved by the Board of Directors on March 14, 2024. Among the 7 attending Directors, no one raised any objection to the contents of this statement.

Giantplus Technology Co., Ltd.

Chairman:

President:

Representation Letter

The entities that are required to be included in the combined financial statements of Giantplus Technology Co., Ltd. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Giantplus Technology Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Giantplus Technology Co., Ltd.

Chairman: Takayuki Tamura

Date: March 14, 2024



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Giantplus Technology Co., Ltd.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("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 of 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 of the current period. 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 matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

Please refer to Note 4(n) "Revenue" for accounting policies and Note 6(q) "Revenue from contracts with customers" for revenue disclosures.

Description of key audit matter:

Revenue of the Group is generated in accordance with the sellers and buyers' trading terms, and it is recognized when the control is transferred to buyers. The revenue can fluctuate during different season since the panel industry changes rapidly which will increase the risk of inappropriate revenue recognition timing, therefore, we identified revenue recognition as one of our key audit matters.



How the matter was addressed in our audit:

As mentioned above, our principal audit procedures included understanding the internal control of revenue cycle and testing the effectiveness of related controls, selecting samples within a certain period before or after the consolidate balance sheet date and verifying relevant documents to ensure the recognition timing of revenue is accurate.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

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

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

In preparing the consolidated financial statements, 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 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 the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Siou- Yi Lin.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | | December 31, 2023 | | December 31, 2022 | | | | December 31, 2023 | | December 31, 2022 | |
|----------------------------|---|----------------------|------------|-------------------|------------|---|---|----------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % | | | Amount | % | Amount | % |
| Assets | | | | | | Liabilities and Equity | | | | | |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | \$ 2,632,964 | 23 | 2,704,928 | 22 | 2100 | Short-term borrowings | \$ 212 | - | - | - |
| 1136 | Current financial assets at amortized cost (note 6(c)) | 19,958 | - | 84,568 | 1 | 2120 | Current financial liabilities at fair value through profit or loss (note 6(b)) | - | - | 34 | - |
| 1170 | Account receivables, net (notes 6(d) &(q)) | 973,558 | 8 | 1,446,207 | 12 | 2180 | Account payables | 1,266,747 | 11 | 1,574,840 | 13 |
| 1181 | Account receivables due from related parties (notes 6(d) ,(q) &7) | 120,277 | 1 | 155,687 | 1 | 2170 | Account payables to related parties (note 7) | 208,273 | 2 | 183,255 | 1 |
| 1200 | Other receivables (notes 6(e)&7) | 79,134 | 1 | 70,089 | - | 2180 | Other payables (note 7) | 967,885 | 8 | 1,045,110 | 8 |
| 1310 | Inventories (note 6(f)) | 1,561,936 | 13 | 1,737,234 | 14 | 2200 | Current tax liabilities | 40,166 | - | 12,254 | - |
| 1470 | Other current assets (notes 7&8) | 212,218 | 2 | 263,558 | 2 | 2230 | Current lease liabilities (note 6(j)) | 525 | - | 1,023 | - |
| | Total current assets | 5,600,045 | 48 | 6,462,271 | 52 | 2280 | Long-term borrowings, current portion (note 6(i)) | 274,301 | 2 | 275,968 | 2 |
| Non-current assets: | | | | | | 2322 | Other current liabilities (notes 6(l),(q)&7) | 235,744 | 2 | 230,927 | 2 |
| 1600 | Property, plant and equipment (notes 6(g), 7&8) | 5,473,238 | 47 | 5,699,334 | 46 | 2399 | Total current liabilities | 2,993,853 | 25 | 3,323,411 | 26 |
| 1755 | Right-of-use assets | 37,257 | - | 39,864 | - | Non-Current liabilities: | | | | | |
| 1780 | Intangible assets (note 6(h)) | 391,436 | 3 | 5,515 | - | 2540 | Long-term borrowings (note 6(i)) | 522,419 | 4 | 1,213,387 | 10 |
| 1900 | Other non-current assets (note 8) | 188,509 | 2 | 231,432 | 2 | 2550 | Non-current provisions (note 6(l)) | 95,238 | 1 | 95,238 | 1 |
| | Total non-current assets | 6,090,440 | 52 | 5,976,145 | 48 | 2580 | Non-current lease liabilities (note 6(j)) | 965 | - | 1,477 | - |
| | | | | | | 2600 | Other non-current liabilities (notes 6(m)&(n)) | 159,757 | 1 | 23,710 | - |
| | | | | | | | Total non-current liabilities | 778,379 | 6 | 1,333,812 | 11 |
| | | | | | | | Total liabilities | 3,772,232 | 31 | 4,657,223 | 37 |
| | | | | | | Equity attributable to owners of parent (note 6(t)): | | | | | |
| | | | | | | 3110 | Ordinary shares | 4,415,449 | 38 | 4,415,449 | 36 |
| | | | | | | 3200 | Capital surplus | 2,618,982 | 22 | 2,618,982 | 21 |
| | | | | | | Retained earnings: | | | | | |
| | | | | | | 3310 | Legal reserve | 71,836 | 1 | 9,485 | - |
| | | | | | | 3320 | Special reserve | 80,104 | 1 | 89,401 | 1 |
| | | | | | | 3350 | Unappropriated retained earnings | 821,569 | 7 | 727,981 | 6 |
| | | | | | | Other equity interest: | | | | | |
| | | | | | | 3410 | Exchange differences on translation of foreign financial statements | (43,651) | - | (34,069) | - |
| | | | | | | 3420 | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | (46,036) | - | (46,036) | (1) |
| | | | | | | | Total equity | 7,918,253 | 69 | 7,781,193 | 63 |
| Total assets | | \$ 11,690,485 | 100 | 12,438,416 | 100 | Total liabilities and equity | | \$ 11,690,485 | 100 | 12,438,416 | 100 |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | | 2023 | | 2022 | |
|------|--|-------------------|----------|-------------------|----------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (notes 6(q)&7) | \$ 9,042,115 | 100 | \$ 10,414,370 | 100 |
| 5000 | Operating costs (notes 6(f)&7) | 8,286,086 | 92 | 9,275,405 | 89 |
| | Gross profit from operations | 756,029 | 8 | 1,138,965 | 11 |
| | Operating expenses: (notes 7) | | | | |
| 6100 | Selling expenses | 208,240 | 2 | 310,639 | 3 |
| 6200 | Administrative expenses | 304,648 | 3 | 323,321 | 3 |
| 6300 | Research and development expenses | 184,194 | 2 | 184,199 | 2 |
| 6450 | Expected credit reversal gains (note6(d)) | (49,699) | (1) | (1,717) | - |
| | Total operating expenses | 647,383 | 6 | 816,442 | 8 |
| | Net operating income | 108,646 | 2 | 322,523 | 3 |
| | Non-operating income and expenses (note 6(s) &7): | | | | |
| 7100 | Interest income | 40,435 | - | 14,742 | - |
| 7010 | Other income | 278,316 | 3 | 196,582 | 2 |
| 7020 | Other gains and losses | (128,094) | (1) | 111,460 | 1 |
| 7050 | Finance costs | (19,814) | - | (21,712) | - |
| | Total non-operating income and expenses | 170,843 | 2 | 301,072 | 3 |
| | Profit before tax | 279,489 | 4 | 623,595 | 6 |
| 7950 | Less: tax expense (note 6(n)) | 43,333 | - | 9,921 | - |
| | Profit | 236,156 | 4 | 613,674 | 6 |
| | Other comprehensive income: | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| 8311 | Gains on remeasurements of defined benefit plans | (1,205) | - | 9,833 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will not be reclassified to profit or loss | (1,205) | - | 9,833 | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | (9,582) | - | 9,297 | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | (9,582) | - | 9,297 | - |
| | Other comprehensive income | (10,787) | - | 19,130 | - |
| 8500 | Comprehensive income | \$ 225,369 | 4 | \$ 632,804 | 6 |
| | Earnings per share (note 6(p)) | | | | |
| 9750 | Basic earnings per share (NT dollars) | \$ 0.53 | | \$ 1.39 | |
| 9850 | Diluted earnings per share (NT dollars) | \$ 0.53 | | \$ 1.38 | |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | Total other equity interest | | Total equity |
|--|---|------------------|-------------------|-----------------|----------------------------------|---|--|------------------|
| | Share capital | Capital surplus | Retained earnings | | | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other | |
| | | | Legal reserve | Special reserve | Unappropriated retained earnings | | Comprehensive income | |
| Balance at January 1, 2022 | \$ 4,415,449 | 2,618,982 | - | 108,509 | 94,851 | (43,366) | (46,036) | 7,148,389 |
| Profit for the year | - | - | - | - | 613,674 | - | - | 613,674 |
| Other comprehensive income | - | - | - | - | 9,833 | 9,297 | - | 19,130 |
| Comprehensive income | - | - | - | - | 623,507 | 9,297 | - | 632,804 |
| Appropriation and distribution of retained earnings: | | - | | | | | | |
| Legal reserve appropriation | - | - | 9,485 | - | (9,485) | - | - | - |
| Special reserve used to offset accumulated deficits | - | - | - | (19,108) | 19,108 | - | - | - |
| Balance at December 31, 2022 | 4,415,449 | 2,618,982 | 9,485 | 89,401 | 727,981 | (34,069) | (46,036) | 7,781,193 |
| Profit for the year | - | - | - | - | 236,156 | - | - | 236,156 |
| Other comprehensive income | - | - | - | - | (1,205) | (9,582) | - | (10,787) |
| Comprehensive income | - | - | - | - | 234,951 | (9,582) | - | 225,369 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve appropriation | - | - | 62,351 | - | (62,351) | - | - | - |
| Cash dividends of ordinary shares | - | - | - | - | (88,309) | - | - | (88,309) |
| Reversal of special reserve | - | - | - | (9,297) | 9,297 | - | - | - |
| Balance at December 31, 2023 | \$ 4,415,449 | 2,618,982 | 71,836 | 80,104 | 821,569 | (43,651) | (46,036) | 7,918,253 |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|---------------------|------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 279,489 | 623,595 |
| Adjustments: | | |
| Adjustments to reconcile profit: | | |
| Depreciation expense | 390,571 | 385,291 |
| Amortization expense | 45,980 | 6,244 |
| Expected credit reversal gains | (49,699) | (1,717) |
| Interest expense | 19,814 | 21,712 |
| Interest income | (40,435) | (14,742) |
| (Gain) loss on disposal of property, plant and equipment | (105) | 563 |
| Total adjustments to reconcile profit | 366,126 | 397,351 |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Financial assets at fair value through profit or loss | - | 383 |
| Account receivables | 522,348 | 16,322 |
| Account receivables due from related parties | 35,410 | (55,719) |
| Other receivables | (9,130) | 3,415 |
| Inventories | 177,029 | 142,210 |
| Other current assets | 6,798 | (19,510) |
| Total changes in operating assets | 732,455 | 87,101 |
| Changes in operating liabilities: | | |
| Financial liabilities at fair value through profit or loss | (34) | 34 |
| Account payables | (308,093) | (450,302) |
| Account payables to related parties | 25,018 | (25,775) |
| Other payables | (131,796) | 30,536 |
| Other current liabilities | 4,817 | 46,175 |
| Net defined benefit liability | (1,648) | (1,669) |
| Total changes in operating liabilities | (411,736) | (401,001) |
| Total changes in operating assets and liabilities | 320,719 | (313,900) |
| Total adjustments | 686,845 | 83,451 |
| Cash inflow generated from operations | 966,334 | 707,046 |
| Interest received | 40,435 | 14,742 |
| Interest paid | (20,286) | (21,352) |
| Income taxes paid | (15,336) | (3,053) |
| Net cash flows from operating activities | 971,147 | 697,383 |
| Cash flows from (used in) investing activities: | | |
| Acquisition of financial assets at amortized cost | (61,074) | (185,365) |
| Proceeds from disposal of financial assets at amortized cost | 125,896 | 202,578 |
| Acquisition of property, plant and equipment | (202,618) | (205,325) |
| Proceeds from disposal of property, plant and equipment | 105 | 25 |
| Acquisition of intangible assets | (145,467) | (3,001) |
| Other non-current assets | 31,445 | (141,346) |
| Net cash flows used in investing activities | (251,713) | (332,434) |
| Cash flows from (used in) financing activities: | | |
| Short-term loans | 217 | - |
| Repayment of long-term borrowings | (692,635) | (110,968) |
| Payment of lease liabilities | (1,010) | (2,218) |
| Other non-current liabilities | (6,546) | (513) |
| Cash dividends | (88,309) | - |
| Net cash flows used in financing activities | (788,283) | (113,699) |
| Effect of exchange rate changes on cash and cash equivalents | (3,115) | (1,311) |
| Net (decrease) increase in cash and cash equivalents | (71,964) | 249,939 |
| Cash and cash equivalents at beginning of period | 2,704,928 | 2,454,989 |
| Cash and cash equivalents at end of period | \$ 2,632,964 | 2,704,928 |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

(1) Company history

GIANTPLUS TECHNOLOGY CO., LTD. (the “Company”) was incorporated on December 15, 1997, as a company limited by shares under the Company Act of the Republic of China (R.O.C.) The Company’s registered office address is located at 15 Industrial Rd., Toufen, Miao-Li, Taiwan. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on December 27, 2006. The primary business scope of the Company and its subsidiaries (together referred to as the Group) includes the research, development, production and sale of thin film transistor liquid crystal displays (“TFT-LCDs”).

TOPPAN Holdings Inc. (originally named TOPPAN INC. and hereinafter “TOPPAN Holdings”) is the parent company and the ultimate controlling company.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the new amendment effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(o).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

| Name of investor | Name of subsidiary | Principal activity | Shareholding | | Description |
|------------------------------------|--|--|----------------------|----------------------|-------------|
| | | | December 31, 2023 | December 31, 2022 | |
| The Company | Giantplus (Samoa) Holding Co.,Ltd. | General investing | 100 % | 100 % | |
| Giantplus (Samoa) Holding Co.,Ltd. | Giantplus Holding L.L.C. | General investing | 100 % | 100 % | |
| Giantplus Holding L.L.C. | Kunshan Giantplus Optronics Display Tech Co., Ltd. | The assembly of liquid crystal displays and the production and sale business of touch panel. | 100 % | 100 % | |

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss. However, equity instruments designation as measured at fair value through other comprehensive income are recognized in other comprehensive income.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle, or intended to be sold or consumed;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(f) Cash and cash equivalents

Cash comprises cash on hand and saving accounts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Account receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; investments in equity instruments at fair value through other comprehensive income (FVOCI)-equity investment; or financial assets at fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of investments in equity instruments that are not held for trading, the Group may make an irrevocable election to present subsequent changes in fair value of the investments in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income is recognized in profit or loss unless the dividend clearly represents the recovery of part of the investment cost. Other net gains or losses are recognized in other comprehensive income and will not be reclassified to profit or loss.

Dividend income from equity investments is recognized on the date that the Group is eligible to receive the dividends (usually the ex-dividend date).

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g., financial assets held for sale) are measured at FVTPL, including derivative financial assets. Account receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'account receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, account receivables, other receivables, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

Loss allowance for account receivables is always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or being more than 180 days past due;
- the lenders for economic or contractual reasons relating to the borrower's financial difficulty granting the borrower a concession that would not otherwise be considered;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for the financial asset because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

| | |
|----------------------------|------------|
| 1) buildings | 3~36 years |
| 2) machinery and equipment | 1~12 years |
| 3) other equipment | 2~11 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be paid under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be paid under a residual value guarantee; or
- 3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment of lease period on whether it will exercise an extension or termination option; or
- 5) there is any lease modification in lease subject, scope of the lease or other terms.

When the lease liability is remeasured due to the aforementioned changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory and office equipment and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(k) Intangible assets

(i) Recognition and measurement

The intangible assets acquired by the company with a useful life are computer software and right of patent use, which are measured by the amount after deducting the accumulated amortization and accumulated impairment losses from the cost.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

| | |
|-------------------|-------------|
| Computer software | 1~ 10 years |
|-------------------|-------------|

| | |
|---------------------|-------------|
| Right of patent use | 2~ 20 years |
|---------------------|-------------|

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units("CGUs").

The recoverable amount of an asset or a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Non-financial assets except for goodwill will only be reversed to the extent of the carrying amount (net of depreciation or amortization) determined for the asset in the previous year, if no impairment loss was recognized for the asset.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

(i) Site restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense is recognized when the land is contaminated.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected economic benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(n) Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The Group's main types of revenue are explained below.

(i) Sale of goods

The Group manufactures and sells TFT-LCD panels and modules. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the time value of money for the transaction prices.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepayment provisions are recognized as an asset to the extent that they will result in a return of cash or a reduction in future payments.

(ii) Defined benefit plans

The Group's net obligation in respect of each defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(q) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

The judgements made in the process of applying the Group's accounting policies have no the most significant effect on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for normal waste, obsolescence and unmarketable items at the reporting day and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(f) for further description of the valuation of inventories.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(6) Explanation of significant accounts

(a) Cash and cash equivalents

| | December 31, 2023 | December 31, 2022 |
|---------------------------------------|------------------------------|------------------------------|
| Cash on hand | \$ 223 | \$ 127 |
| Cash in banks | | |
| Checking accounts and saving accounts | 2,503,560 | 2,682,754 |
| Time deposits | 129,181 | 22,047 |
| | \$ 2,632,964 | \$ 2,704,928 |

For interest rate risk and sensitivity analysis of financial assets, please refer to Note 6(t).

Cash and cash equivalents of the Group were not pledged as collateral.

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

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Held-for-trading financial liabilities | | |
| Derivative instruments not used for hedging | | |
| Forward exchange contracts | \$ - | \$ 34 |

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as held-for-trading financial liabilities:

Forward exchange contracts:

| | December 31, 2022 | | |
|-----------------------|---|-----------------|---------------------------|
| | Contract amount (in thousands) | Currency | Maturity dates |
| Forward exchange sold | \$ 1,500 | USD | 2023.02.03 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(c) Financial assets measured at amortized cost

| | December 31, 2023 | December 31, 2022 |
|---------------|------------------------------|------------------------------|
| Time deposits | \$ 19,958 | \$ 84,568 |

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

None of financial assets of the Group measured at amortized costs was pledged as collateral.

For credit risk of financial assets, please refer to Note 6(t).

(d) Account receivables

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Account receivables - measured as amortized cost (including related parties) | \$ 1,162,511 | \$ 1,711,938 |
| Account receivables - fair value through profit or loss | 8,165 | 16,496 |
| Less: loss allowance | (76,841) | (126,540) |
| Total | \$ 1,093,835 | \$ 1,601,894 |

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision. To measure the expected credit losses, account receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

The loss allowance provision was determined as follows:

| | December 31, 2023 | | |
|-------------------------|------------------------------|-----------------------------------|-----------------------|
| | Gross carrying amount | Weighted-average loss rate | Loss allowance |
| Current | \$ 1,014,490 | 0.00% | \$ - |
| Within 30 days past due | 69,506 | 0.00% | - |
| 31 to 60 days past due | 1,674 | 0.00% | - |
| | <u>\$ 1,085,670</u> | | <u>\$ -</u> |
| | December 31, 2022 | | |
| | Gross carrying amount | Weighted-average loss rate | Loss allowance |
| Current | \$ 1,504,141 | 0.00% | \$ - |
| Within 30 days past due | 67,123 | 0.00% | - |
| 31 to 60 days past due | 13,907 | 0.00% | - |
| 61 to 90 days past due | 163 | 0.00% | - |
| 91 to 180 days past due | 74 | 13.51% | 10 |
| | <u>\$ 1,585,408</u> | | <u>\$ 10</u> |

In addition, the Group recognized the allowance for losses of \$76,841 and \$126,530 thousands for account receivables that could not reasonably be expected to be recoverable on December 31, 2023 and 2022, respectively.

The movement in the allowance for account receivables was as follows:

| | 2023 | 2022 |
|----------------------------|------------------|-------------------|
| Balance at January 1 | \$ 126,540 | \$ 128,257 |
| Impairment losses reversed | (49,699) | (1,717) |
| Balance at December 31 | <u>\$ 76,841</u> | <u>\$ 126,540</u> |

Account receivables of the Group were not pledged as collateral.

The Group entered into separate non-recourse factoring agreements with different financial institutions to sell its account receivables. Under the agreements, the Group does not have the responsibility to assume the default risk of the transferred account receivables but is liable for the losses incurred on any business dispute. The Group derecognized the above account receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The amount receivables from the financial institutions were recognized as “other receivables” upon the derecognition of those account receivables.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

As of December 31, 2023 and 2022, the Group sold its account receivables without recourse as follows:

Unit: thousand dollars

| December 31, 2023 | | | | | |
|--------------------------|-----------------------------|-----------------------|------------------------|-------------------------------|-------------------|
| Purchaser | Derecognition Amount | Factoring Line | Advanced Amount | Range of Interest Rate | Collateral |
| Financial in institution | USD <u>592</u> | USD <u>4,800</u> | TWD <u>-</u> | - | None |

| December 31, 2022 | | | | | |
|--------------------------|-----------------------------|-----------------------|------------------------|-------------------------------|-------------------|
| Purchaser | Derecognition Amount | Factoring Line | Advanced Amount | Range of Interest Rate | Collateral |
| Financial in institution | USD <u>714</u> | USD <u>5,800</u> | TWD <u>-</u> | - | None |

As of December 31, 2023 and 2022, the Group sold the account receivables without recourse of \$18,192 and \$21,942 thousand and recognized as other receivables.

(e) Other receivables

| | December 31, 2023 | December 31, 2022 |
|-------------------------------|------------------------------|------------------------------|
| Account receivables factoring | \$ 18,192 | \$ 21,942 |
| Tax refund | 19,281 | 19,907 |
| Others | 41,661 | 28,240 |
| | \$ 79,134 | \$ 70,089 |

Other receivables of the Group were not pledged as collateral.

(f) Inventories

| | December 31, 2023 | December 31, 2022 |
|------------------|------------------------------|------------------------------|
| Raw materials | \$ 495,777 | \$ 581,580 |
| Work in progress | 535,598 | 489,206 |
| Finished goods | 530,561 | 666,448 |
| | \$ 1,561,936 | \$ 1,737,234 |

The details of the cost of sales were as follows:

| | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|
| Cost of sales | \$ 8,082,129 | \$ 9,107,966 |
| Loss on inventory valuation | 92,327 | 8,572 |
| Unallocated manufacturing overheads | 70,447 | 94,758 |
| Inventory scrapped loss | 41,183 | 31,619 |
| Others | - | 32,490 |
| Total | \$ 8,286,086 | \$ 9,275,405 |

Inventories of the Group were not pledged as collateral.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(g) Property, plant and equipment

The movement of cost, depreciation, and impairment of the property, plant and equipment of the Group, was as follows:

| | Land | Buildings and construction | Machinery and equipment | Other facilities | Lease improvement | Construction in progress and equipment awaiting inspection | Total |
|---------------------------------------|---------------------|----------------------------------|-------------------------------|---------------------|----------------------|--|-------------------|
| Cost or deemed cost: | | | | | | | |
| Balance on January 1, 2023 | \$ 4,133,511 | 3,903,899 | 7,667,719 | 732,103 | 1,005 | 311,823 | 16,750,060 |
| Additions | - | 6,565 | 60,712 | 36,863 | - | 58,392 | 162,532 |
| Disposal | - | (12,965) | (45,779) | (72,593) | - | - | (131,337) |
| Transfer (out) in | - | 187,518 | 99,151 | 31,217 | - | (310,142) | 7,744 |
| Effect of movements in exchange rates | - | (9,227) | (9,681) | (1,374) | (17) | 729 | (19,570) |
| Balance on December 31, 2023 | <u>\$ 4,133,511</u> | <u>4,075,790</u> | <u>7,772,122</u> | <u>726,216</u> | <u>988</u> | <u>60,802</u> | <u>16,769,429</u> |
| Balance on January 1, 2022 | \$ 4,133,511 | 3,902,749 | 7,578,131 | 724,438 | 990 | 232,915 | 16,572,734 |
| Additions | - | 760 | 64,343 | 29,510 | - | 104,838 | 199,451 |
| Disposal | - | (4,521) | (6,509) | (22,522) | - | - | (33,552) |
| Transfer (out) in | - | - | 23,679 | - | - | (27,950) | (4,271) |
| Effect of movements in exchange rates | - | 4,911 | 8,075 | 677 | 15 | 2,020 | 15,698 |
| Balance on December 31, 2022 | <u>\$ 4,133,511</u> | <u>3,903,899</u> | <u>7,667,719</u> | <u>732,103</u> | <u>1,005</u> | <u>311,823</u> | <u>16,750,060</u> |
| Depreciation and impairments loss: | | | | | | | |
| Balance on January 1, 2023 | \$ - | 3,141,878 | 7,209,312 | 698,531 | 1,005 | - | 11,050,726 |
| Depreciation | - | 183,899 | 173,740 | 30,934 | - | - | 388,573 |
| Disposal | - | (12,965) | (45,779) | (72,593) | - | - | (131,337) |
| Transfer (out) in | - | - | (8) | 8 | - | - | - |
| Effect of movements in exchange rates | - | (2,951) | (7,980) | (823) | (17) | - | (11,771) |
| Balance on December 31, 2023 | <u>\$ -</u> | <u>3,309,861</u> | <u>7,329,285</u> | <u>656,057</u> | <u>988</u> | <u>-</u> | <u>11,296,191</u> |
| Balance on January 1, 2022 | \$ - | 2,959,106 | 7,036,184 | 697,302 | 990 | - | 10,693,582 |
| Depreciation | - | 184,654 | 174,296 | 23,139 | - | - | 382,089 |
| Disposal | - | (3,933) | (6,509) | (22,522) | - | - | (32,964) |
| Effect of movements in exchange rates | - | 2,051 | 5,341 | 612 | 15 | - | 8,019 |
| Balance on December 31, 2022 | <u>\$ -</u> | <u>3,141,878</u> | <u>7,209,312</u> | <u>698,531</u> | <u>1,005</u> | <u>-</u> | <u>11,050,726</u> |
| Carrying amounts: | | | | | | | |
| Balance on December 31, 2023 | <u>\$ 4,133,511</u> | <u>765,929</u> | <u>442,837</u> | <u>70,159</u> | <u>-</u> | <u>60,802</u> | <u>5,473,238</u> |
| Balance on January 1, 2022 | <u>\$ 4,133,511</u> | <u>943,643</u> | <u>541,947</u> | <u>27,136</u> | <u>-</u> | <u>232,915</u> | <u>5,879,152</u> |
| Balance on December 31, 2022 | <u>\$ 4,133,511</u> | <u>762,021</u> | <u>458,407</u> | <u>33,572</u> | <u>-</u> | <u>311,823</u> | <u>5,699,334</u> |

The property, plant and equipment of the Group had been pledged as collateral for long-term borrowings, please refer to Note 8.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(h) Intangible assets

The movement of intangible assets of the Group were as follows:

| | Computer software | Right of patent use | Total |
|---------------------------------------|------------------------------|--------------------------------|----------------|
| Cost: | | | |
| Balance on January 1, 2023 | \$ 123,658 | - | 123,658 |
| Acquisition | 1,876 | 426,557 | 428,433 |
| Effect of movements in exchange rates | (58) | - | (58) |
| Balance on December 31, 2023 | \$ 125,476 | 426,557 | 552,033 |
| Balance on January 1, 2022 | \$ 120,609 | - | 120,609 |
| Acquisition | 3,001 | - | 3,001 |
| Effect of movements in exchange rates | 48 | - | 48 |
| Balance on December 31, 2022 | \$ 123,658 | - | 123,658 |
| Amortization and impairment losses: | | | |
| Balance on January 1, 2023 | \$ 118,143 | - | 118,143 |
| Amortization | 2,685 | 39,820 | 42,505 |
| Effect of movements in exchange rates | (51) | - | (51) |
| Balance on December 31, 2023 | \$ 120,777 | 39,820 | 160,597 |
| Balance on January 1, 2022 | \$ 113,127 | - | 113,127 |
| Amortization | 4,986 | - | 4,986 |
| Effect of movements in exchange rates | 30 | - | 30 |
| Balance on December 31, 2022 | \$ 118,143 | - | 118,143 |
| Carrying amount : | | | |
| Balance on December 31, 2023 | \$ 4,699 | 386,737 | 391,436 |
| Balance on January 1, 2022 | \$ 7,482 | - | 7,482 |
| Balance on December 31, 2022 | \$ 5,515 | - | 5,515 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(i) Long-term borrowings

| December 31, 2023 | | | | |
|-------------------------------|------------------------|--------------------|----------------------------|--------------------------|
| | <u>Currency</u> | <u>Rate</u> | <u>Maturity Day</u> | <u>Amount</u> |
| Secured bank loans | TWD | 1.80%~2.00% | 2026.04.15~ 2027.04.10 | \$ 796,720 |
| Less: current portion | | | | (274,301) |
| Total | | | | <u>\$ 522,419</u> |
| Unused long-term credit lines | | | | <u>\$ 510,000</u> |

| December 31, 2022 | | | | |
|-------------------------------|------------------------|--------------------|----------------------------|----------------------------|
| | <u>Currency</u> | <u>Rate</u> | <u>Maturity Day</u> | <u>Amount</u> |
| Secured bank loans | TWD | 1.68%~1.78% | 2026.04.15~ 2027.04.10 | \$ 1,489,355 |
| Less: current portion | | | | (275,968) |
| Total | | | | <u>\$ 1,213,387</u> |
| Unused long-term credit lines | | | | <u>\$ 510,000</u> |

For the collateral for bank loan, please refer to Note 8.

Please refer to Note 6(t) for interest rate analysis and the risk of liquidity of the Group.

(j) Lease liabilities

The amounts of lease liabilities were as follows:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-------------|---------------------------------|---------------------------------|
| Current | <u>\$ 525</u> | <u>\$ 1,023</u> |
| Non-current | <u>\$ 965</u> | <u>\$ 1,477</u> |

For the maturity analysis, please refer to Note 6(t).

The amounts recognized in profit or loss were as follows:

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|-------------------------|
| Interest on lease liabilities | <u>\$ 16</u> | <u>\$ 28</u> |
| Expenses relating to short-term leases | <u>\$ 8,289</u> | <u>\$ 12,183</u> |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u>\$ 461</u> | <u>\$ 465</u> |

The amounts recognized in the statement of cash flows were as follows:

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|------------------------|-------------------------|
| Total cash outflow for leases | <u>\$ 9,776</u> | <u>\$ 14,894</u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(i) Real estate leases

The Group leases lands and buildings for its office space, plants and staff dormitory. The leases of office space, plants and staff dormitory typically run for a period of one to seven years.

(ii) Other leases

The Group lease vehicles and other equipment, with lease terms of two to five years.

The Group also leases part of the staff dormitory, office equipment and other equipment with lease terms of one to two years. These leases are short-term or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(k) Operating lease

The Group leases out its real estate. As it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets, it is classified as operating lease.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

| | December 31, 2023 | December 31, 2022 |
|-----------------------------------|--------------------------|--------------------------|
| Less than one year | \$ 61,621 | \$ 47,899 |
| One to two years | 54,405 | 45,980 |
| Two to three years | 43,133 | 39,933 |
| Three to four years | 24,117 | 22,902 |
| Four to five years | 23,774 | 22,902 |
| More than five years | 33,914 | 56,022 |
| Total undiscounted lease payments | <u><u>\$ 240,964</u></u> | <u><u>\$ 235,638</u></u> |

(l) Provisions

| | December 31, 2023 | December 31, 2022 |
|--|--------------------------|--------------------------|
| Provision for capacity reservation agreements (recorded in current liabilities) | \$ 32,490 | \$ 32,490 |
| Site restoration | 95,238 | 95,238 |
| | <u><u>\$ 127,728</u></u> | <u><u>\$ 127,728</u></u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(i) Provision for capacity reservation agreements

Provisions for capacity reservation agreements were made based on agreed price and required quantity in agreements signed with the suppliers. The provision for the aforementioned agreements is recognized when the expected benefits are lower than the unavoidable cost about fulfilling agreed obligations.

(ii) Site restoration

In April 2017, the Group bought the land. And it has obligation to restore the land. Due to the nature of the provision long-term liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are available currently. The Group has been provided with a range of reasonably possible outcomes of the total cost. The restoration is expected to occur in the future.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Present value of the defined benefit obligations | \$ 78,099 | \$ 78,019 |
| Fair value of plan assets | (77,779) | (77,256) |
| Net defined benefit liabilities | \$ 320 | \$ 763 |

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Act) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$77,779 thousand at the reporting day. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Defined benefit obligations at January 1 | \$ 78,019 | \$ 81,932 |
| Current service costs and interest cost | 967 | 530 |
| Remeasurement on the net defined benefit liabilities | | |
| — Experience adjustments arising on the actuarial gains and losses | 1,494 | 1,348 |
| — Actuarial losses (gains) arising from: | | |
| - Demographic assumptions | 370 | (8) |
| - Financial assumptions | - | (5,276) |
| Gain or loss from the settlement | (2,751) | - |
| Benefits paid | - | (507) |
| Defined benefit obligations at December 31 | <u>\$ 78,099</u> | <u>\$ 78,019</u> |

3) Movements of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group were as follows:

| | <u>2023</u> | <u>2022</u> |
|--|---------------------------|---------------------------|
| Fair value of plan assets at January 1 | \$ (77,256) | \$ (69,667) |
| Interest income | (969) | (456) |
| Remeasurement on the net defined benefit liabilities | | |
| — Return of plan assets excluding interest income | (659) | (5,897) |
| Contribution made | (1,778) | (1,743) |
| Payment Amount for project Asset Amortization | 2,883 | - |
| Benefits paid | - | 507 |
| Fair value of plan assets at December 31 | <u>\$ (77,779)</u> | <u>\$ (77,256)</u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|---------------------|
| Current service costs | \$ 132 | \$ - |
| Net interest of net liabilities for defined benefit obligations | (2) | 74 |
| | <u>\$ 130</u> | <u>\$ 74</u> |
| Operating costs | \$ - | \$ 19 |
| Operating expenses | 130 | 55 |
| | <u>\$ 130</u> | <u>\$ 74</u> |

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|-------------|-------------|
| Discount rate | 1.25 % | 1.25 % |
| Future salary increase rate | 2.00 % | 2.00 % |

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date for the years ended December 31, 2023 and 2022 amounted to \$1,804 thousand and \$1,793 thousand, respectively.

The weighted average lifetime of the defined benefits plans for the years ended December 31, 2023 and 2022 are both 10 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

| | Influences of defined benefit obligations | |
|----------------------|--|------------------------|
| | <u>Increased 0.25%</u> | <u>Decreased 0.25%</u> |
| December 31, 2023: | | |
| Discount rate | \$ (1,971) | \$ 2,042 |
| Future salary growth | 2,022 | (1,961) |
| December 31, 2022: | | |
| Discount rate | \$ (2,062) | \$ 2,140 |
| Future salary growth | 2,119 | (2,052) |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

The method and assumptions used in the preparation of the sensitivity analysis was the same as the previous period.

(ii) Defined contribution plans

The Group contributes 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$58,196 thousand and \$56,642 thousand for the years ended December 31, 2023 and 2022, respectively. Payment was made to the Bureau of Labor Insurance.

The foreign consolidated entities' pension costs under the local regulations amounted to \$22,150 and \$19,047 for the years ended December 31, 2023 and 2022, respectively.

(n) Income taxes

(i) Tax expense

The components of expense were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| Current tax expense | | |
| Current period | \$ 79,007 | \$ 121,371 |
| Tax incentives | - | (3,806) |
| Adjustment for prior periods | - | (861) |
| | <u>79,007</u> | <u>116,704</u> |
| Deferred tax expense | | |
| Recognition of previously unrecognized tax losses | (35,764) | (106,783) |
| | <u>(35,764)</u> | <u>(106,783)</u> |
| Tax expense | <u>\$ 43,333</u> | <u>\$ 9,921</u> |

No income tax recognized directly in equity and other comprehensive income.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

Reconciliation of tax expense and profit before tax were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Profit excluding income tax | <u>\$ 279,489</u> | <u>\$ 623,595</u> |
| Income tax using the Company's domestic tax rate | \$ 52,053 | \$ 124,525 |
| Non-deductible expenses | (330) | (1,843) |
| Tax exempt income | (21) | - |
| Recognition of previously unrecognized tax losses | (35,674) | (106,783) |
| Change in unrecognized temporary differences | (16,077) | (38,142) |
| Tax incentives | - | (3,806) |
| Adjustment for prior periods | - | (861) |
| Additional income tax on unappropriated earnings | 24,107 | 5,224 |
| Others | 19,275 | 31,607 |
| Tax expense | <u>\$ 43,333</u> | <u>\$ 9,921</u> |

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details were as follows:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--|--------------------------|--------------------------|
| Aggregate amount of temporary differences related to investments in subsidiaries | <u>\$ 2,426,864</u> | <u>\$ 2,447,930</u> |
| Unrecognized deferred tax liabilities | <u>\$ 485,373</u> | <u>\$ 489,586</u> |

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--|--------------------------|--------------------------|
| Tax effect of deductible temporary differences | \$ 275,805 | \$ 300,136 |
| The carryforward of unused tax losses | 95,393 | 123,934 |
| | <u>\$ 371,198</u> | <u>\$ 424,070</u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over 10 years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2023, the Group's unused tax losses for which no deferred tax assets were recognized were as follows:

| <u>Year of loss</u> | <u>Unused tax loss</u> | <u>Expiry date</u> |
|---------------------|------------------------|--------------------|
| 2020 | \$ 476,967 | 2030 |

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

| | <u>Unrealized gain of exchange</u> | <u>Others</u> | <u>Total</u> |
|----------------------------------|--|---------------|--------------------------|
| Deferred tax liabilities: | | | |
| Balance at January 1, 2023 | \$ - | \$ 49 | \$ 49 |
| Recognized in profit or loss | - | (49) | (49) |
| Balance at December 31, 2023 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Balance at January 1, 2022 | \$ 22,232 | \$ 58 | \$ 22,290 |
| Recognized in profit or loss | (22,232) | (9) | (22,241) |
| Balance at December 31, 2022 | <u>\$ -</u> | <u>\$ 49</u> | <u>\$ 49</u> |
| | | | <u>Tax losses</u> |
| Deferred tax assets: | | | |
| Balance at January 1, 2023 | | | \$ 49 |
| Recognized in profit or loss | | | (49) |
| Balance at December 31, 2023 | | | <u>\$ -</u> |
| Balance at January 1, 2022 | | | \$ 22,290 |
| Recognized in profit or loss | | | (22,241) |
| Balance at December 31, 2022 | | | <u>\$ 49</u> |

(iii) Assessment of income tax

The Company's tax returns for the years through 2021 were assessed by the competent tax authority.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized capital was 6,500,000 thousand with the par value of NT\$10 per share, of which 441,545 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Share premiums | \$ 2,308,555 | \$ 2,308,555 |
| Buyback of convertible bonds | 286,921 | 286,921 |
| Lapsed employee share options | 17,253 | 17,253 |
| Change in equity of associates accounted for under equity method | 5,832 | 5,832 |
| Treasury share transactions | 421 | 421 |
| | <u>\$ 2,618,982</u> | <u>\$ 2,618,982</u> |

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, can be transferred to common stock as stock dividends or distributed by cash based on the original shareholding percentage. Realized capital surplus includes the additional paid-in capital derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, distribution of stock dividends from capital surplus in each year shall not exceed 10% of the share capital.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting tax and accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside or reversed in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years and adjustments form retained earnings in the current year, can be distributed as dividends to stockholders after the shareholders' meeting approves the distribution plan submitted by the Board of Directors.

According to the R.O.C. Company Act No 240(5), the Company authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

The Company's industrial development is at a growth stage, in order to consider its future business development and shareholders' expectation of cash, the principle of cash distribution of dividend should contain at least 10% of the entire dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of share capital may be distributed.

2) Special reserve

Before distributing earnings, a portion of current-period earnings plus other current earnings and undistributed prior-period earnings shall be reclassified as special reserve for an amount equal to the net debit balance of other equity in the current period. The net debit balance of other equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. When the amount of the net debit balance of other equity is reversed subsequently, the reversed amount can be included in the distributable earnings.

3) Earnings distribution

The Company resolved in the board meetings held on March 14, 2024 and March 15, 2023 to determine the cash dividend amount of the earnings distribution for the years ended December 31, 2023 and 2022. The dividends distributable to the owners were shown as below:

| | 2023 | | 2022 | |
|---|-------------------------|----------------------|-------------------------|----------------------|
| | Dividend per share (\$) | Amount | Dividend per share (\$) | Amount |
| Dividends distributable to the owners of ordinary shares: | | | | |
| Cash | \$ 0.10 | <u>44,154</u> | \$ 0.20 | <u>88,309</u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(iv) Other equity (net of tax)

| | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
|---|--|--|---------------------------|
| Balance at January 1, 2023 | \$ (34,069) | \$ (46,036) | \$ (80,105) |
| Exchange differences on foreign operations | (9,582) | - | (9,582) |
| Balance at December 31, 2023 | <u><u>\$ (43,651)</u></u> | <u><u>\$ (46,036)</u></u> | <u><u>\$ (89,687)</u></u> |
| Balance at January 1, 2022 | \$ (43,366) | \$ (46,036) | \$ (89,402) |
| Exchange differences on foreign operations | 9,297 | - | 9,297 |
| Balance at December 31, 2022 | <u><u>\$ (34,069)</u></u> | <u><u>\$ (46,036)</u></u> | <u><u>\$ (80,105)</u></u> |

(p) Earnings per share

The calculations of basic earnings per share and diluted earnings per share were as follows:

| | 2023 | 2022 |
|---|--------------------------|--------------------------|
| Basic earnings per share | | |
| Profit attributable to ordinary shareholders of the Company | <u><u>\$ 236,156</u></u> | <u><u>\$ 613,674</u></u> |
| Weighted-average number of ordinary shares (in thousands of shares) | 441,545 | 441,545 |
| Basic earnings per share (NT dollars) | <u><u>\$ 0.53</u></u> | <u><u>\$ 1.39</u></u> |
| Diluted earnings per share | | |
| Profit attributable to ordinary shareholders of the Company | <u><u>\$ 236,156</u></u> | <u><u>\$ 613,674</u></u> |
| Weighted-average number of ordinary shares (in thousands of shares) | 441,545 | 441,545 |
| Effect of dilutive potential ordinary shares | | |
| Effect of employee share bonus | 1,485 | 2,694 |
| Weighted-average number of ordinary shares (in thousands of shares) (After adjustment for dilutive potential common share impact) | 443,030 | 444,239 |
| Diluted earnings per share (NT dollars) | <u><u>\$ 0.53</u></u> | <u><u>\$ 1.38</u></u> |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

| | 2023 | 2022 |
|-------------------------------|----------------------------|-----------------------------|
| Primary geographical markets: | | |
| Taiwan | \$ 2,126,495 | \$ 2,636,751 |
| China, Hong Kong and Macao | 1,685,985 | 2,416,839 |
| Japan | 1,592,768 | 1,802,462 |
| Europe | 989,598 | 868,451 |
| America | 963,190 | 673,022 |
| Other | 1,684,079 | 2,016,845 |
| | <u>\$ 9,042,115</u> | <u>\$ 10,414,370</u> |
| Major products: | | |
| LCD panel and module | <u>\$ 9,042,115</u> | <u>\$ 10,414,370</u> |

(ii) Contract balances

| | December 31, 2023 | December 31, 2022 | January 1, 2022 |
|--|------------------------------|------------------------------|----------------------------|
| Account receivables | \$ 1,170,676 | \$ 1,728,434 | \$ 1,689,037 |
| Less: allowance for impairment | (76,841) | (126,540) | (128,257) |
| | <u>\$ 1,093,835</u> | <u>\$ 1,601,894</u> | <u>\$ 1,560,780</u> |
| Contract liabilities (recorded in other current liabilities) | <u>\$ 157,239</u> | <u>\$ 153,145</u> | <u>\$ 151,530</u> |

For details on account receivables and allowance for impairment, please refer to Note 6(d).

The amount of revenue recognized for years 2023 and 2022 that was included in the contract liability balance at the beginning of the period were \$129,781 thousand and \$123,311 thousand, respectively.

(r) Employee compensation and directors' remuneration

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1% will be distributed as employee remuneration, and a maximum of 1.5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's affiliated companies who meet certain specific requirements.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

For the years ended December 31, 2023 and 2022, remuneration of employees of \$13,844 thousand and \$32,718 thousand, respectively, and remuneration of directors of \$2,769 thousand and \$6,544 thousand, respectively, were appropriated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating costs or operating expenses for years 2023 and 2022.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

The amounts, as stated in the financial statements, are identical to those of the actual distributions made by the Board of Directors for years 2023 and 2022. Related information is available on the website of the Market Observation Post System.

(s) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| Interest income from bank deposits | \$ 40,435 | \$ 14,713 |
| Others | - | 29 |
| | \$ 40,435 | \$ 14,742 |

(ii) Other income

The details of other income were as follows:

| | 2023 | 2022 |
|---------------|-------------------|-------------------|
| Rental income | \$ 55,389 | \$ 46,727 |
| Others | 222,927 | 149,855 |
| | \$ 278,316 | \$ 196,582 |

(iii) Other gains and losses

The details of other gains and losses were as follows:

| | 2023 | 2022 |
|---|---------------------|-------------------|
| Gains (losses) on disposals of property, plant and equipment | \$ 105 | \$ (563) |
| Foreign exchange gains | 14,365 | 241,456 |
| Gains (losses) on financial assets (liabilities) at fair value through profit or Loss | 1,099 | (5,577) |
| Others | (143,663) | (123,856) |
| | \$ (128,094) | \$ 111,460 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(iv) Finance costs

The detail of finance costs was as follows:

| | <u>2023</u> | <u>2022</u> |
|------------------|------------------|------------------|
| Interest expense | <u>\$ 19,814</u> | <u>\$ 21,712</u> |

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The major customers of the Group are centralized in producing panels. In order to minimize the credit risk of account receivables, the Group periodically evaluates the financial position of customers, assessing the possibility of receivables recovery, and providing allowance for bad debts regularly. The impairment is always within the management's expectations. As of December 31, 2023 and 2022, the concentration rate from top 10 customers were 47% and 50%, respectively. The concentration of credit risk of other receivables is relatively insignificant.

3) Receivables securities

For credit risk exposure of account receivables, please refer to Note 6(d).

Other financial assets at amortized cost includes other receivables and time deposits, etc.

All of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12-months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(g).

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| | Carrying amount | Contractual cash flows | Within 6 months | 6-12 months | 1-2 years | 2-5 years | Over 5 years |
|--|---------------------|---------------------------|--------------------|----------------|----------------|----------------|--------------|
| December 31, 2023 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loans | \$ 796,932 | 818,745 | 144,175 | 142,646 | 281,343 | 250,581 | - |
| Account payables | 1,266,747 | 1,266,747 | 1,266,747 | - | - | - | - |
| Account payables-related party | 208,273 | 208,273 | 208,273 | - | - | - | - |
| Other payables | 967,885 | 967,885 | 967,885 | - | - | - | - |
| Lease liabilities | 1,490 | 1,509 | 264 | 264 | 527 | 454 | - |
| Long-term accounts payable (recorded in other non-current liabilities) | 143,085 | 143,085 | - | - | 35,925 | 107,160 | - |
| | \$ 3,384,412 | 3,406,244 | 2,587,344 | 142,910 | 317,795 | 358,195 | - |
| December 31, 2022 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loans | \$ 1,489,355 | 1,542,238 | 68,181 | 231,862 | 457,937 | 784,258 | - |
| Account payables | 1,574,840 | 1,574,840 | 1,574,840 | - | - | - | - |
| Account payables-related party | 183,255 | 183,255 | 183,255 | - | - | - | - |
| Other payables | 1,045,110 | 1,045,110 | 1,045,110 | - | - | - | - |
| Lease liabilities | 2,500 | 2,536 | 564 | 464 | 527 | 981 | - |
| Derivative financial liabilities | | | | | | | |
| Other forward exchange contracts | | | | | | | |
| Outflow | 34 | 45,928 | 45,928 | - | - | - | - |
| Inflow | - | (45,894) | (45,894) | - | - | - | - |
| | \$ 4,295,094 | 4,348,013 | 2,871,984 | 232,326 | 458,464 | 785,239 | - |

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

| | December 31, 2023 | | | December 31, 2022 | | |
|------------------------------|---------------------|------------------|-----------|---------------------|------------------|-----------|
| | Foreign currency | Exchange rate | TWD | Foreign currency | Exchange rate | TWD |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD | \$ 213,948 | 30.705 | 6,569,273 | 211,309 | 30.710 | 6,489,299 |
| JPY | 1,060,207 | 0.217 | 230,065 | 1,353,119 | 0.232 | 313,924 |
| <u>Financial liabilities</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD | \$ 154,414 | 30.705 | 4,741,282 | 159,992 | 30.710 | 4,913,354 |
| JPY | 1,573,603 | 0.217 | 341,472 | 1,319,006 | 0.232 | 306,009 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets measured at amortized cost, account and other receivables, and accounts and other payables that are denominated in foreign currency. The analysis is performed on the same basis for the two periods.

A weakening or strengthening of 1% of the TWD against the USD for years 2023 and 2022 would have both increased or decreased the net profit before tax by \$18,280 thousand and \$15,759 thousand, respectively. The analysis assumes that all other variables remain constant.

A weakening or strengthening of 1% of the TWD against the JPY for years 2023 and 2022 would have decreased or increased and increased or decreased the net profit before tax by \$1,114 thousand and \$79 thousand, respectively. The analysis assumes that all other variables remain constant.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2023 and 2022, foreign exchange gain (including realized and unrealized portions) amounted to \$14,365 thousand and \$241,456 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased / decreased by 10 basis points, the Group's net profit (loss) would have increased or decreased by \$1,470 thousand and \$972 thousand for years 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the variable rates on the Group's bank deposits and borrowings.

(v) Information of fair value

1) Type and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; except financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

| | | December 31, 2023 | | | | |
|--|----|--------------------|------------|---------|---------|-------|
| | | Carrying amount | Fair value | | | |
| | | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at amortized cost | | | | | | |
| Cash and cash equivalents | \$ | 2,632,964 | - | - | - | - |
| Financial assets measured at amortized cost | | 19,958 | - | - | - | - |
| Account receivables | | 973,558 | - | - | - | - |
| Account receivables-related party | | 120,277 | - | - | - | - |
| Other receivables | | 79,134 | - | - | - | - |
| Other financial assets (recorded in other current and non-current assets) | | 2,372 | - | - | - | - |
| Guaranteed deposits paid (recorded in other non-current assets) | | 159,527 | - | - | - | - |
| Total | \$ | 3,987,790 | - | - | - | - |
| Financial liabilities measured at amortized cost | | | | | | |
| Bank loans | \$ | 796,932 | - | - | - | - |
| Account payables | | 1,266,747 | - | - | - | - |
| Account payables-related party | | 208,273 | - | - | - | - |
| Other payables | | 967,885 | - | - | - | - |
| Lease liabilities | | 1,490 | - | - | - | - |
| Guarantee deposits received (recorded in other non-current liabilities) | | 16,352 | - | - | - | - |
| Long-term account payables (recorded in other non-current liabilities) | | 143,085 | - | - | - | - |
| Total | \$ | 3,400,764 | - | - | - | - |
| | | December 31, 2022 | | | | |
| | | Carrying amount | Fair value | | | |
| | | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at amortized cost | | | | | | |
| Cash and cash equivalents | \$ | 2,704,928 | - | - | - | - |
| Financial assets measured at amortized cost | | 84,568 | - | - | - | - |
| Account receivables | | 1,446,207 | - | - | - | - |
| Account receivables-related party | | 155,687 | - | - | - | - |
| Other receivables | | 70,089 | - | - | - | - |
| Other financial assets (recorded in other non-current assets) | | 2,138 | - | - | - | - |
| Guaranteed deposits paid (recorded in other non-current assets) | | 198,300 | - | - | - | - |
| Total | \$ | 4,661,917 | - | - | - | - |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Derivative financial liabilities | \$ | 34 | - | 34 | - | 34 |
| Financial liabilities measured at amortized cost | | | | | | |
| Bank loans | \$ | 1,489,355 | - | - | - | - |
| Account payables | | 1,574,840 | - | - | - | - |
| Account payables-related party | | 183,255 | - | - | - | - |
| Other payables | | 1,045,110 | - | - | - | - |
| Lease liabilities | | 2,500 | - | - | - | - |
| Guarantee deposits received (recorded in other non-current liabilities) | | 22,898 | - | - | - | - |
| Subtotal | | 4,317,958 | - | - | - | - |
| Total | \$ | 4,317,992 | - | 34 | - | 34 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted price in the active market. The market prices announced by major exchanges or over-the-counter market are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments that are publicly quoted in the active market.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of a forward currency contract is usually determined by the forward currency exchange rate.

4) Transfers between Level 1 and Level 2: None

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The aforementioned risk exposure information, the objectives, policies, and procedures for measuring and managing risks of the Group, are described in this note. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(ii) Structure of risk management

The objective of the financial risk management from the Group is to manage market risk, credit risk and liquidity risk. The policies and risks preference were established by the Group to recognize, measure, and manage the risks mentioned above.

The Group established adequacy policies, procedures and internal control system for the financial risk management. The Board of Directors and Audit Committee monitors and reviews the major financial activities in accordance with procedures required by relevant regulations and internal controls. During the execution of financial management activities, the Group has to actually abide by the relevant regulations on financial risk management.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, financial instruments and receivables.

1) Account and other receivables

Each business unit manages customer credit risk by following the policies, procedures and controls of the customer's credit risk of the Group. The credit risk assessment of all customers is based on factors such as the financial status of the customer, the evaluation of the credit rating agency, past historical trading experience, current economic environment and internal company evaluation criteria. The Group also uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to reduce the credit risk of specific customers.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees for transactions involving equity investment that is more than 50% directly or indirectly owned. As of December 31, 2023 and 2022, no other guarantees were outstanding.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligation when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2023 and 2022, the Group had unused credit line in the amount of \$2,390,583 thousand and \$2,811,343 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, expenditures and net investment in a foreign operation that are denominated in a currency other than the respective functional currencies of the Group.

Part of the Group's receivables and payables are the same currency. Meanwhile, a considerable portion will have a natural hedging effect. For some foreign currency payments, forward exchange agreements are used to manage currency risk based on the aforementioned natural hedging. Thus the Group does not comply hedge accounting. Otherwise, the net investment in a foreign operation is considered strategic investment, so the Group has not hedged against this.

2) Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value financial instruments or future cash flows due to changes in market interest rates. The interest rate risk of the Group is mainly derived from floating rate investments classified as loans and receivables and floating rate borrowings.

3) Other market price risk

The Group holds unlisted equity securities. The price of such equity securities is affected by the uncertainty of the future value of these investment targets. The unlisted equity securities held by the Group are all available for sale. The Group manages the market price risk of equity securities by diversifying investments and setting limits on single and overall equity securities investments. The portfolio information of equity securities is required to be regularly provided to the senior management of the Group, and the board of directors must review and approve the policy of equity securities investments.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(v) Capital management

The Group's capital management policy is to manage its capital to safeguard the capacity to continue as a going concern, to continue to provide a returns for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, and issue new shares or sell assets to settle any liabilities.

The Group monitors capital using a ratio of 'net debt' to 'adjusted equity'. This ratio is the total net debt divided by the adjusted capital. Net debt is calculated as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity (capital, share premium, retained earnings and other equity) and net debt.

The Group's net debt to adjusted equity ratio at the reporting day, was as follows:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Total liabilities | \$ 3,772,232 | \$ 4,657,223 |
| Less: cash and cash equivalents | (2,632,964) | (2,704,928) |
| Net debt | 1,139,268 | 1,952,295 |
| Total equity | 7,918,253 | 7,781,193 |
| Adjusted equity | \$ 9,057,521 | \$ 9,733,488 |
| Ratio of net debt to adjusted equity | 12.58 % | 20.06 % |

(w) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow were as follows:

| | January 1, 2023 | Cash flows | Foreign exchange and other movement | December 31, 2023 |
|--|----------------------------|-------------------|--|------------------------------|
| Short-term borrowings | \$ - | 217 | (5) | 212 |
| Long-term borrowings (including current portion) | 1,489,355 | (692,635) | - | 796,720 |
| Lease liabilities | 2,500 | (1,010) | - | 1,490 |
| Total liabilities from financing activities | \$ 1,491,855 | (693,428) | (5) | 798,422 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

| | January 1, 2022 | Cash flows | Foreign exchange and other movement | December 31, 2022 |
|--|----------------------------|-------------------------|--|-------------------------|
| Long-term borrowings (including current portion) | \$ 1,600,323 | (110,968) | | 1,489,355 |
| Lease liabilities | 4,718 | (2,218) | - | 2,500 |
| Total liabilities from financing activities | <u><u>\$ 1,605,041</u></u> | <u><u>(113,186)</u></u> | <u><u>-</u></u> | <u><u>1,491,855</u></u> |

(7) Related-party transactions

(a) Parent company and ultimate controlling company

TOPPAN Holdings Inc. (originally named TOPPAN INC.) is the parent company and the ultimate controlling party.

(b) Names and relationship with the Company

The followings are related parties that have had transactions with the Company during the periods covered in the consolidated financial statements.

| Name of related party | Relationship with the Group |
|---|-----------------------------|
| TOPPAN Holdings Inc. (TOPPAN Holdings) (Note) | The parent company |
| Toppan Inc. (TOPPAN) (Note) | Other related party |
| Toppan Chunghwa Electronics Co., Ltd. (TCE) | Other related party |
| Toppan Electronics Taiwan Inc. (TET) | Other related party |

Note: The Group's parent company adjusted its organizational structure in October 2023. The original parent company, TOPPAN INC., was renamed TOPPAN Holdings Inc. (TOPPAN Holdings), and a new company, TOPPAN Inc. (TOPPAN), was established.

(c) Significant transactions with related parties

(i) Sales

The amounts of sales by the Group to related parties were as follows:

| | 2023 | 2022 |
|-----------------------|--------------------------|--------------------------|
| Parent company | \$ 364,460 | \$ 547,411 |
| Other related parties | 130,416 | - |
| | <u><u>\$ 494,876</u></u> | <u><u>\$ 547,411</u></u> |

The transaction price between the Company and the above-mentioned related parties was not comparable to that of other customers, and no significant differences between the terms of transactions with related parties and other customers. The payment terms for related parties were 45 days, while the terms for routine sales were ranged from T/T in advance to 90 days.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(ii) Purchases

The amounts of purchases by the Group from related parties were as follows:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| Parent company | \$ 8,745 | \$ 31,425 |
| Other related parties | 7,261 | 2,345 |
| | \$ 16,006 | \$ 33,770 |

The prices and payment terms of the Company's purchase from the above related parties were not significantly different from those of its regular suppliers. The payment terms for related parties' transaction were ranged from 45 days to 90 days, while the terms for routine purchases were ranged from T/T in advance to 120 days.

(iii) Receivables from related parties

The receivables from related parties were as follows:

| Account | Relationship | December 31, 2023 | December 31, 2022 |
|----------------------|---------------------|------------------------------|------------------------------|
| Account receivables | Parent company | \$ - | \$ 155,687 |
| | Other related party | | |
| Account receivables | - TOPPAN | 120,277 | - |
| | Other related party | | |
| Other receivables | -TCE | 11,064 | 14,079 |
| Other current assets | Parent company | - | 47,594 |
| | Other related party | | |
| Other current assets | - TOPPAN | 49,247 | - |
| Other current assets | Other related party | 7,147 | 6,843 |
| | | \$ 187,735 | \$ 224,203 |

(iv) Payables to related parties

The payables to related parties were as follows:

| Account | Relationship | December 31, 2023 | December 31, 2022 |
|---------------------------|---------------------|------------------------------|------------------------------|
| Account payables | Parent company | \$ - | \$ 182,418 |
| | Other related party | | |
| Account payables | - TOPPAN | 207,804 | - |
| Account payables | Other related party | 469 | 837 |
| Other payables | Parent company | - | 20,409 |
| Other payables | Other related party | 27,787 | 2,116 |
| Other current liabilities | Parent company | - | 18,019 |
| Other current liabilities | Other related party | 8,387 | 3,900 |
| | | \$ 244,447 | \$ 227,699 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(v) Property transactions

1) Purchases of property, plant and equipment

The prices of property, plant and equipment purchased from related parties were summarized as follows:

| | 2023 | 2022 |
|-----------------------|------------------|-----------------|
| Parent company | \$ 20,228 | \$ 4,417 |
| Other related parties | 7,536 | 1,444 |
| | \$ 27,764 | \$ 5,861 |

(vi) Others

| | Production overheads | |
|-----------------------|-----------------------------|-------------------|
| | 2023 | 2022 |
| Parent company | \$ 188,431 | \$ 309,894 |
| Other related parties | 83,892 | 24 |
| | \$ 272,323 | \$ 309,918 |

| | Operating expenses | |
|-----------------------|---------------------------|-----------------|
| | 2023 | 2022 |
| Parent company | \$ 333 | \$ 1,457 |
| Other related parties | 75 | - |
| | \$ 408 | \$ 1,457 |

| | Other income | |
|-----------------------|---------------------|------------------|
| | 2023 | 2022 |
| Parent company | \$ 51,227 | \$ 41,879 |
| Other related parties | 21,281 | 6,972 |
| | \$ 72,508 | \$ 48,851 |

| | Other expenses | |
|------------------------------|-----------------------|------------------|
| | 2023 | 2022 |
| Parent company | \$ 17,160 | \$ 43,569 |
| Other related party – TOPPAN | 20,508 | - |
| Other related parties | 10,213 | 2,757 |
| | \$ 47,881 | \$ 46,326 |

(d) Key management personnel compensation

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | \$ 39,960 | \$ 46,762 |

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

| Assets | Pledged to secure | December 31, 2023 | December 31, 2022 |
|--|--|----------------------|----------------------|
| Property, plant and equipment | Bank loan credit lines | \$ 3,873,554 | \$ 3,983,662 |
| Guarantee deposits paid (recorded in other current assets and other non-current assets) | Capacity reservation deposit, litigation bond and dormitory deposit | 159,527 | 198,300 |
| Other financial assets (recorded in other current assets and other non-current assets) | Supplier purchase deposit and bank borrowings | 2,372 | 2,138 |
| | | <u>\$ 4,035,453</u> | <u>\$ 4,184,100</u> |

(9) Significant contingent liabilities and unrecognized contract commitments

The Group entered into capacity reservation agreements with the supplier, and the Group needs to purchase wafers from the supplier at certain prices and quantities.

(10) Significant losses due to major disasters: None

(11) Significant subsequent events: None

(12) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, was as follows:

| | By function | 2023 | | | 2022 | | |
|----------------------------------|-------------|-----------------|--------------------|-----------|-----------------|--------------------|-----------|
| | | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 1,205,926 | 314,983 | 1,520,909 | 1,228,793 | 320,302 | 1,549,095 |
| Labor and health insurance | | 112,990 | 27,740 | 140,730 | 108,406 | 25,949 | 134,355 |
| Pension | | 64,422 | 16,054 | 80,746 | 60,679 | 15,084 | 75,763 |
| Remuneration of directors (Note) | | - | 3,714 | 3,714 | - | 7,534 | 7,534 |
| Others | | 58,748 | 18,586 | 77,334 | 57,475 | 17,203 | 74,678 |
| Depreciation | | 356,644 | 33,927 | 390,571 | 351,425 | 33,866 | 385,291 |
| Amortization | | 3,128 | 42,852 | 45,980 | 1,411 | 4,833 | 6,244 |

Note: including income from professional practice, duty pay, and bonuses.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(13) Other disclosures

(a) Information on significant transactions

The following is the information on the Group's significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period (Note 4) | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note 1) | Transaction amount for business between two parties | Reasons for short-term financing | Loss allowance | Collateral | | Individual funding loan limits | Maximum limit of fund financing |
|--------|-------------------------------------|--|-------------------|---------------|--|----------------|---------------------------------------|---|--|---|----------------------------------|----------------|------------|-------|--------------------------------|---------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Giantplus (Samoa) Holding Co., Ltd. | Kunshan Giantplus Optronics Display Tech Co., Ltd. | Other receivables | Yes | 1,106,640 | 921,150 | 736,920 | 6.95%-7.52% | 2 | - | Operating activities | - | None | - | 3,832,074 | 3,832,074 |
| 1 | Giantplus (Samoa) Holding Co., Ltd. | The Company | Other receivables | Yes | 2,431,875 | 2,302,875 | 1,750,185 | 1.26%-5.78% | 2 | - | Operating activities | - | None | - | 3,832,074 | 3,832,074 |
| 2 | Giantplus Holding L.L.C. | The Company | Other receivables | Yes | 1,013,430 | 644,805 | 644,805 | 2.68%-5.24% | 2 | - | Operating activities | - | None | - | 1,134,771 | 1,134,771 |

Note 1: For those Companies with short-term financing needs.

Note 2: Financing limit for individual limit: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value, Giantplus Holding L.L.C. 90% of its net asset value.

Note 3: Total financing limit: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value; Giantplus Holding L.L.C. 90% of its net asset value.

Note 4: Highest balance of financing to other party during the period.

Note 5: If the public company submits fund financing based on each transaction for a resolution by the Board of Directors in accordance with Article 14(1) of Regulations Governing Loaning of Funds and Making of by Public Companies, although the funds have not been allocated, the amount approved by the board shall be included in the ending balance of loans of funds in the announcement to reflect the risk that the company has undertaken. However, if the loans of funds are repaid, the balance of the repayment shall be disclosed to reflect the adjustment of risk. If the public company authorizes the chairman of the board to allocate the loans of funds within particular amounts (authorized limits) and repaid over several installments in a year according to the resolution of the board of directors in accordance with Articles 14(2) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company shall still disclose the amount approved by the board of directors. Although the funds will be repaid afterwards, in the consideration of the possibilities of re-loan, the company shall still disclose the amount approved by the board of directors.

Note 6: The amount is based on exchange rate at the reporting day.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Highest amount during the year | Note |
|----------------|--------------------------------|---------------------------|---------------|--------------------------|----------------|-----------------------------|------------|--------------------------------|------|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | | |
| The Company | Chenfeng Optronics Corporation | None | FVOCI | 2,141,452 | - | 2.13 % | - | 2.28% | Note |

Note: No public offer.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20% of the capital: None.

(v) Acquisition of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None.

(vi) Disposal of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

- (vii) Related-party transactions for purchases and sales with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

| Name of company | Counter party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/accounts receivable (payable) | | Note |
|---|---|------------------------------|---------------------|-------------|-------------------------------------|---------------|---|---------------|-------------------------------------|---|------|
| | | | Purchase/ Sale | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/accounts receivable (payable) | |
| Kunshan Giantplus Optronics Display TechCo., Ltd. | The Company | The parent company | (Sale) | (1,171,047) | (90) % | 60 Days | - | | 744,680 | 99% | |
| The Company | Kunshan Giantplus Optronics Display TechCo., Ltd. | Subsidiary | (Sale) | (110,429) | (1) % | 60 Days | | | - | -% | |
| The Company | TOPPAN Holdings | The Company's parent company | (Sale) | (364,460) | (4) % | 45 Days | | | - | -% | |
| The Company | TOPPAN | Other related party | (Sale) | (130,416) | (1) % | 45 Days | - | | 120,277 | 10% | |

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

| Name of company | Counter-party | Nature of relationship | Ending balance Note 2 | Turnover rate | Overdue | | Amounts received in subsequent period | Loss allowance for bad debts |
|---|--|------------------------|-----------------------|---------------|---------|--------------|---------------------------------------|------------------------------|
| | | | | | Amount | Action taken | | |
| The Company (Note 2) | TOPPAN | Other related party | 120,277 | 2.17 | | | 115,683 | - |
| Kunshan Giantplus Optronics Display Tech Co., Ltd. (Note 2) | The Company | The parent company | 744,680 | 1.55 | - | | 744,680 | - |
| Giantplus (Samoa) Holding Co., Ltd. (Note 3) | Kunshan Giantplus Optronics Display Tech Co., Ltd. | Subsidiary | 763,775 | - | - | | - | - |
| Giantplus (Samoa) Holding Co., Ltd. (Note 3) | The Company | The parent company | 1,792,727 | - | - | | - | - |
| Giantplus Holding L.L.C. (Note 3) | The Company | The parent company | 674,972 | - | - | | - | - |

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Account receivables

Note 3: Other account receivables

Note 4: Calculation of turnover rate excluded other account receivables.

- (ix) Trading in derivative instruments: None.

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

| No. | Name of company | Name of counter-party | Nature of relationship | Intercompany transactions | | | |
|-----|---|---|------------------------|---------------------------|-----------|---------------------------|--|
| | | | | Account name | Amount | Trading terms | Percentage of the consolidated net revenue or total assets |
| 0 | The Company | Kunshan Giantplus Optonics Display Tech Co., Ltd. | 1 | Sales | 110,429 | 60 Days | 1.22 % |
| 1 | Kunshan Giantplus Optonics Display Tech Co., Ltd. | The Company | 2 | Sales | 1,171,047 | 60 Days | 12.95% |
| 1 | Kunshan Giantplus Optonics Display Tech Co., Ltd. | The Company | 2 | Account receivables | 744,680 | 60 Days | 6.37 % |
| 2 | Giantplus (Samoa) Holding Co., Ltd. | Kunshan Giantplus Optonics Display Tech Co., Ltd. | 3 | Other receivables | 763,775 | According to the contract | 6.53 % |
| 2 | Giantplus (Samoa) Holding Co., Ltd. | The Company | 2 | Other receivables | 1,792,727 | According to the contract | 15.33% |
| 3 | Giantplus Holding L.L.C. | The Company | 2 | Other receivables | 674,972 | According to the contract | 5.77% |

Note 1: The labeling method is as follows:

1. Parent company labeled 0.
2. Subsidiaries labeled in number sequence from 1

Note 2: Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: Transaction amounts less than \$100,000 thousand will not be disclosed; and they will be disclosed as assets or liabilities and income or expense, while the relative transactions will not be disclosed.

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for year 2023:

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2023 | | | Highest percentage of ownership | Net income (losses) of investee | Share of profits/losses of investee | Note |
|-------------------------------------|-------------------------------------|----------|------------------------------|----------------------------|-------------------|---------------------------------|-------------------------|------------------|---------------------------------|---------------------------------|-------------------------------------|---------------------|
| | | | | December 31, 2023 | December 31, 2022 | Shares | Percentage of ownership | Carrying amounts | | | | |
| The Company | Giantplus (Samoa) Holding Co., Ltd. | Samoa | Investment activities | 1,397,086 | 1,397,086 | 44,000,000 | 100.00 % | 3,818,910 | 100.00 % | 32,757 | 9,378 | Subsidiary (Note 1) |
| Giantplus (Samoa) Holding Co., Ltd. | Giantplus Holding L.L.C. | U.S.A | Investment activities | 1,397,086 | 1,397,086 | - | 100.00 % | 1,260,857 | 100.00 % | (15,387) | (15,387) | Subsidiary |

Note 1: The difference is due to unrealized gain /loss.

(c) Information on investment in mainland China:

(i) The information on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

| Name of investee in Mainland China | Major operations | Issued capital | Method of investment (Note 1) | Accumulated outflow of investment from Taiwan as of at the beginning | Investment flows | | Accumulated outflow of investment from Taiwan as of at the end | Net income (losses) of the investee | Direct/indirect shareholding (%) by the Company | Highest percentage of ownership | Investment income (losses) (Note 2(3)) | Carrying value | Accumulated remittance of earnings in current period |
|--|---|----------------|-------------------------------|--|------------------|--------|--|-------------------------------------|---|---------------------------------|--|----------------|--|
| | | | | | Outflow | Inflow | | | | | | | |
| Kunshan Giantplus Optonics Display Tech Co., Ltd. (Note 6) | The assembly of liquid crystal displays and the production and sales of touch panel | 890,445 | (2) | 890,445 | - | - | 890,445 | (35,890) | 100.00% | 100.00% | (35,890) | 567,153 | - |

(ii) Limitation on investment in Mainland China:

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(iii)

| Company Name | Accumulated investment in Mainland China at the end of the period (Note 8) | Investment amounts approved by Investment Commission, MOEA (Note 8) | Upper limit on investment (Note 3) |
|--------------|--|---|------------------------------------|
| The Company | 2,180,055 | 2,180,055 | 4,750,951 |

Note 1: Investments in Mainland China are differentiated by the following three methods:

1. Direct investment in Mainland China
2. Investment in Mainland China through a third region company
3. Other methods

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

1. If the corporation is in the set-up phase, no investment gain or loss recognition should be indicated.
2. Recognition basis of investment gains or losses is determined by the following three types:
 - (1) Financial statements of the investee company were reviewed by an R.O.C. accounting firm which has cooperation with an international firm.
 - (2) Financial statements of the investee company were reviewed by the CPA of the parent company.
 - (3) Others: financial statement reviewed by the CPA of parent company or complied by the investee company.

Note 3: The upper limit on investment was 60% of the total net asset value based on "Principle of investment or Technical Cooperation in Mainland China".

Note 4: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate at the reporting day.

Note 5: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

Note 6: Kunshan Giantplus Optronics Display Tech Co., Ltd. is the indirect investee of the Company through Giantplus Holding L.L.C.

Note 7: "Accumulated investment in Mainland China at the end of the period" and the "Investment amounts approved by Investment Commission, MOEA" included the original emittance of USD 30,000 thousand and USD 12,000 thousand, respectively. In April 2019 and January 2022, the Company disposed its investment, respectively. As of December 31, 2023, a total amount was USD42,000 in the equity of Kunshan Giantplus Optoelectronics Tech Co., Ltd. and Shenzhen Giantplus Optoelec Display Co., Ltd. which has not yet been remitted back to the Company.

(iv) Significant transactions:

In 2023, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

| Shareholders' Name | Shares | Percentage |
|--|-------------|------------|
| TOPPAN Holdings Inc. | 152,981,757 | 34.64 % |
| Yuanta Commercial Bank Entrusted Custody of Investment Account- TOPPAN Holdings Inc. | 81,500,000 | 18.45 % |

- (i) The information of major shareholders in this table was calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, based on the Company's common shares (including treasury stock) without physical registration for which the major shareholders own more than 5% of the total shares. The share capital in financial report may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.
- (ii) If a shareholder delivers its shares to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. As for the insider declaration for shareholding more than 10% of total shares in accordance with the Securities and Exchange Act, their shareholding shall include the shares held by themselves plus the shares that they have delivered to the trust and have the right to exercise decision-making power over the trust property. For more information, please refer to Market Observation Post System website.

(14) Segment information

The Group's management believes that the Group has only a single segment, mainly engaged in research, development, production and sale of thin film transistor liquid crystal displays ("TFT-LCDs").

GIANTPLUS TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Continued)

(a) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

| Geographic information | 2023 | 2022 |
|----------------------------------|----------------------------|-----------------------------|
| Revenue from external customers: | | |
| Asia | \$ 7,089,328 | \$ 8,872,016 |
| Europe | 989,597 | 868,451 |
| America | 963,190 | 673,022 |
| Oceania | - | 881 |
| Total | <u><u>\$ 9,042,115</u></u> | <u><u>\$ 10,414,370</u></u> |

| Geographic information | December 31, 2023 | December 31, 2022 |
|-------------------------------|----------------------------|----------------------------|
| Non-current assets: | | |
| Asia | <u><u>\$ 5,931,914</u></u> | <u><u>\$ 5,777,796</u></u> |

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, prepayments for facilities, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current assets).

(b) Major customers

The details of major customers the competent tax authority. more than 5% of sales revenue were as follows:

| | 2023 | 2022 |
|------------|----------------------------|----------------------------|
| Customer A | \$ 1,043,841 | \$ 1,293,153 |
| Customer B | 784,894 | 760,933 |
| Customer C | 494,876 | 547,411 |
| Customer D | 518,362 | 429,910 |
| Customer E | 484,810 | 400,904 |
| Total | <u><u>\$ 3,326,783</u></u> | <u><u>\$ 3,432,311</u></u> |



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Giantplus Technology Co., Ltd.:

Opinion

We have audited the financial statements of Giantplus Technology Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

Please refer to Note 4(n) "Revenue" for accounting policies and Note 6(q) "Revenue from contracts with customers" for revenue disclosures.

Description of key audit matter:

Revenue of the Company is generated in accordance with the sellers and buyers' trading terms, and it is recognized when the control is transferred to buyers. The revenue can fluctuate during different season since the panel industry changes rapidly which will increase the risk of inappropriate revenue recognition timing, therefore, we identified revenue recognition as one of our key audit matters.



How the matter was addressed in our audit:

As mentioned above, our principal audit procedures included understanding the internal control of revenue cycle and testing the effectiveness of related controls, selecting samples within a certain period before or after the balance sheet date and verifying relevant documents to ensure the recognition timing of revenue is accurate.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yi-Chun Chen and Siou-Yi Lin.

KPMG
Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

| | | December 31, 2023 | | December 31, 2022 | | | | December 31, 2023 | | December 31, 2022 | |
|---------------------------------|---|----------------------|------------|-------------------|------------|--------------------------------------|---|----------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % | | | Amount | % | Amount | % |
| Assets | | | | | | Liabilities and Equity | | | | | |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | \$ 2,355,498 | 16 | 2,504,159 | 16 | 2120 | Current financial liabilities at fair value through profit or loss (note 6(b)) | \$ - | - | 34 | - |
| 1170 | Account receivables, net (note 6(c) &(q)) | 964,026 | 7 | 1,444,311 | 10 | 2170 | Account payables | 1,128,014 | 8 | 1,392,487 | 9 |
| 1181 | Account receivables-related parties (note 6(c) (q) &7) | 120,277 | 1 | 155,687 | 1 | 2180 | Account payables to related parties (note 7) | 952,953 | 6 | 951,794 | 6 |
| 1200 | Other receivables (note 6(d)&7) | 82,731 | - | 72,082 | - | 2200 | Other payables | 846,213 | 6 | 886,737 | 6 |
| 1310 | Inventories (note 6(e)) | 1,553,078 | 11 | 1,649,510 | 11 | 2220 | Other payables- related parties (note 7) | 2,495,556 | 17 | 2,448,144 | 16 |
| 1470 | Other current assets (note 7) | 192,161 | 1 | 255,316 | 2 | 2230 | Current tax liabilities | 21,366 | - | 4,232 | - |
| Total current assets | | 5,267,771 | 36 | 6,081,065 | 40 | 2280 | Current lease liabilities (note 6(j)) | 525 | - | 1,023 | - |
| Non-current assets: | | | | | | 2322 | Long-term borrowings, current portion (note 6(i)) | 274,301 | 2 | 275,968 | 2 |
| 1550 | Investments accounted for using equity method (note 6(f)) | 3,818,910 | 26 | 3,826,524 | 25 | 2399 | Other current liabilities (notes 6(l)(q)&7) | 232,498 | 2 | 224,511 | 1 |
| 1600 | Property, plant and equipment (notes 6(g),7&8) | 5,006,481 | 34 | 5,173,336 | 34 | Total current liabilities | | 5,951,426 | 41 | 6,184,930 | 40 |
| 1755 | Right-of-use assets | 1,471 | - | 2,477 | - | Non-Current liabilities: | | | | | |
| 1780 | Intangible assets (note 6(h)) | 391,025 | 3 | 5,041 | - | 2540 | Long-term borrowings (note 6(i)) | 522,419 | 3 | 1,213,387 | 8 |
| 1900 | Other non-current assets (note 6(n) & 8) | 159,643 | 1 | 203,149 | 1 | 2550 | Non-current provisions (note 6(l)) | 95,238 | 1 | 95,238 | 1 |
| Total non-current assets | | 9,377,530 | 64 | 9,210,527 | 60 | 2580 | Non-current lease liabilities (note 6(j)) | 965 | - | 1,477 | - |
| | | | | | | 2600 | Other non-current liabilities (note 6(m)&(n)) | 157,000 | 1 | 15,367 | - |
| | | | | | | Total non-current liabilities | | 775,622 | 5 | 1,325,469 | 9 |
| | | | | | | Total liabilities | | 6,727,048 | 46 | 7,510,399 | 49 |
| | | | | | | Equity (note 6(o)): | | | | | |
| | | | | | | 3110 | Ordinary shares | 4,415,449 | 30 | 4,415,449 | 29 |
| | | | | | | 3200 | Capital surplus | 2,618,982 | 17 | 2,618,982 | 17 |
| | | | | | | Retained earnings: | | | | | |
| | | | | | | 3310 | Legal reserve | 71,836 | - | 9,485 | - |
| | | | | | | 3320 | Special reserve | 80,104 | 1 | 89,401 | - |
| | | | | | | 3350 | Unappropriated retained earnings | 821,569 | 6 | 727,981 | 5 |
| | | | | | | Other equity interest: | | | | | |
| | | | | | | 3410 | Exchange differences on translation of foreign financial statement | (43,651) | - | (34,069) | - |
| | | | | | | 3420 | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | (46,036) | - | (46,036) | - |
| | | | | | | Total equity | | 7,918,253 | 54 | 7,781,193 | 51 |
| Total assets | | \$ 14,645,301 | 100 | 15,291,592 | 100 | Total liabilities and equity | | \$ 14,645,301 | 100 | 15,291,592 | 100 |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

| | | 2023 | | 2022 | |
|------|--|-------------------|----------|-------------------|----------|
| | | Amount | % | Amount | % |
| 4000 | Operating revenue (notes 6(q)&7) | \$ 9,026,940 | 100 | \$ 10,292,144 | 100 |
| 5000 | Operating costs (notes 6(e)&7) | 8,310,631 | 92 | 9,332,574 | 91 |
| | Gross profit | 716,309 | 8 | 959,570 | 9 |
| 5910 | Add: Unrealized profit from sales | (7,241) | - | 245 | - |
| 5920 | Realized losses from sales | (245) | - | (289) | - |
| | Gross profit, net | 708,823 | 8 | 959,526 | 9 |
| | Operating expenses (note 7): | | | | |
| 6100 | Selling expenses | 203,602 | 2 | 307,291 | 3 |
| 6200 | Administrative expenses | 239,202 | 3 | 260,136 | 3 |
| 6300 | Research and development expenses | 184,198 | 2 | 184,255 | 2 |
| 6450 | Expected credit reversal gains (note 6(c)) | (49,699) | - | (1,717) | - |
| | Total operating expenses | 577,303 | 7 | 749,965 | 8 |
| | Net operating income | 131,520 | 1 | 209,561 | 1 |
| | Non-operating income and expenses: (note 6(s) &7) | | | | |
| 7100 | Interest income | 27,576 | - | 10,111 | - |
| 7010 | Other income | 293,108 | 4 | 212,771 | 2 |
| 7020 | Other losses | (121,290) | (1) | (149,070) | (1) |
| 7050 | Finance costs | (80,029) | (1) | (52,123) | (1) |
| 7070 | Share of gain (loss) of subsidiaries, associates and joint ventures accounted for using equity method | 9,378 | - | 383,841 | 4 |
| | Total non-operating income and expenses | 128,743 | 2 | 405,530 | 4 |
| | Profit before tax | 260,263 | 3 | 615,091 | 5 |
| 7950 | Less: tax expense (note 6(n)) | 24,107 | - | 1,417 | - |
| | Profit | 236,156 | 3 | 613,674 | 5 |
| | Other comprehensive income: | | | | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| 8311 | Gains (losses) on remeasurements of defined benefit plans | (1,205) | - | 9,833 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will not be reclassified to profit or loss | (1,205) | - | 9,833 | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | (9,582) | - | 9,297 | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | (9,582) | - | 9,297 | - |
| | Other comprehensive income | (10,787) | - | 19,130 | - |
| 8500 | Comprehensive income | \$ 225,369 | 3 | \$ 632,804 | 5 |
| | Earnings per share (note 6(p)) | | | | |
| 9750 | Basic earnings per share (NT dollars) | \$ 0.53 | | \$ 1.39 | |
| 9850 | Diluted earnings per share (NT dollars) | \$ 0.53 | | \$ 1.38 | |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

| | | | | | | Other equity interest | | |
|--|-----------------|-----------------|-------------------|-----------------|----------------------------------|---|---|--------------|
| | Share capital | | Retained earnings | | | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | Total equity |
| | Ordinary shares | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | | | |
| Balance at January 1, 2022 | \$ 4,415,449 | 2,618,982 | - | 108,509 | 94,851 | (43,366) | (46,036) | 7,148,389 |
| Profit for the year | - | - | - | - | 613,674 | - | - | 613,674 |
| Other comprehensive income | - | - | - | - | 9,833 | 9,297 | - | 19,130 |
| Comprehensive income | - | - | - | - | 623,507 | 9,297 | - | 632,804 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve appropriation | - | - | 9,485 | - | (9,485) | - | - | - |
| Reversal of special reserve | - | - | - | (19,108) | 19,108 | - | - | - |
| Balance at December 31, 2022 | 4,415,449 | 2,618,982 | 9,485 | 89,401 | 727,981 | (34,069) | (46,036) | 7,781,193 |
| Profit for the year | - | - | - | - | 236,156 | - | - | 236,156 |
| Other comprehensive income | - | - | - | - | (1,205) | (9,582) | - | (10,787) |
| Comprehensive income | - | - | - | - | 234,951 | (9,582) | - | 225,369 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve appropriation | - | - | 62,351 | - | (62,351) | - | - | - |
| Cash dividends of ordinary shares | - | - | - | - | (88,309) | - | - | (88,309) |
| Reversal of special reserve | - | - | - | (9,297) | 9,297 | - | - | - |
| Balance at December 31, 2023 | \$ 4,415,449 | 2,618,982 | 71,836 | 80,104 | 821,569 | (43,651) | (46,036) | 7,918,253 |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Cash flows from (used in) operating activities: | | |
| Profit before tax | \$ 260,263 | \$ 615,091 |
| Adjustments: | | |
| Adjustments to reconcile profit: | | |
| Depreciation expense | 317,514 | 330,464 |
| Amortization expense | 42,145 | 4,497 |
| Expected credit reversal gains | (49,699) | (1,717) |
| Interest expense | 80,029 | 52,123 |
| Interest income | (27,576) | (10,111) |
| Share of loss (gain) of subsidiaries, associates and joint ventures accounted for using equity method | (9,378) | (383,841) |
| Gain on disposal of property, plant and equipment | (76) | (78) |
| Total adjustments to reconcile profit | 352,959 | (8,663) |
| Changes in operating assets and liabilities: | | |
| Changes in operating assets: | | |
| Financial assets at fair value through profit or loss | - | 383 |
| Account receivables | 529,984 | 6,655 |
| Account receivables due from related parties | 35,410 | (55,719) |
| Other receivables | (10,734) | 2,730 |
| Inventories | 96,432 | 110,388 |
| Other current assets | 18,613 | (23,105) |
| Total changes in operating assets | 669,705 | 41,332 |
| Changes in operating liabilities: | | |
| Financial liabilities at fair value through profit or loss | (34) | 34 |
| Account payables | (264,473) | (400,532) |
| Account payables to related parties | 1,159 | 178,304 |
| Other payables | (125,412) | 34,494 |
| Other payables to related parties | (2,715) | 1,282 |
| Other current liabilities | 7,987 | 53,587 |
| Net defined benefit liability | (1,648) | (1,669) |
| Total changes in operating liabilities | (385,136) | (134,500) |
| Total changes in operating assets and liabilities | 284,569 | (93,168) |
| Total adjustments | 637,528 | (101,831) |
| Cash inflow generated from operations | 897,791 | 513,260 |
| Interest received | 27,576 | 10,111 |
| Interest paid | (38,031) | (47,097) |
| Income taxes (paid) refund | (6,888) | 3,459 |
| Net cash flows from operating activities | 880,448 | 479,733 |
| Cash flows from (used in) investing activities: | | |
| Proceeds from disposal of financial assets at amortized cost | - | 981 |
| Acquisition of property, plant and equipment | (147,242) | (89,054) |
| Acquisition of intangible assets | (145,163) | (3,001) |
| Other non-current assets | 46,600 | (127,157) |
| Net cash flows used in investing activities | (245,805) | (218,231) |
| Cash flows from (used in) financing activities: | | |
| Repayments of long-term borrowings | (692,635) | (110,968) |
| Other payables to related parties | (390) | 282,527 |
| Repayments of lease liabilities | (1,010) | (2,218) |
| Other non-current liabilities | (960) | (2,657) |
| Cash dividends | (88,309) | - |
| Net cash flows (used in) from financing activities | (783,304) | 166,684 |
| Net (decrease) increase in cash and cash equivalents | (148,661) | 428,186 |
| Cash and cash equivalents at beginning of period | 2,504,159 | 2,075,973 |
| Cash and cash equivalents at end of period | \$ 2,355,498 | \$ 2,504,159 |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

GIANTPLUS TECHNOLOGY CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

GIANTPLUS TECHNOLOGY CO., LTD. (the “Company”) was incorporated on December 15, 1997, as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office address is located at 15 Industrial Rd., Toufen, Miao-Li, Taiwan. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) on December 27, 2006. The primary business activities of the Company include the research, development, production and sale of thin film transistor liquid crystal displays (“TFT-LCDs”).

TOPPAN Holdings Inc. (originally named TOPPAN INC. and hereinafter “TOPPAN Holdings”) is the parent company and the ultimate controlling party.

(2) Approval date and procedures of the financial statements

These financial statements were authorized for issue by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

(4) Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

- (a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities are measured at fair value of plan assets less the present value of the defined benefit obligation, limited as explained in Note 4(o).

- (ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

- (c) Foreign currencies

- (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

Exchange differences are generally recognized in profit or loss. However, equity instruments designation as measured at fair value through other comprehensive income are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle, or intended to be sold or consumed;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(e) Cash and cash equivalents

Cash comprises cash on hand and saving accounts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Account receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at amortized cost; investments in equity instruments at fair value through other comprehensive income (FVOCI)-equity investment; or financial assets at fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of investments in equity instruments that are not held for trading, the Company may make an irrevocable election to present subsequent changes in fair value of the investments in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income is recognized in profit or loss unless the dividend clearly represents the recovery of part of the investment cost. Other net gains or losses are recognized in other comprehensive income and will not be reclassified to profit or loss.

Dividend income from equity investments is recognized on the date that the Company is eligible to receive the dividends (usually the ex-dividend date).

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g., financial assets held for sale) are measured at FVTPL, including derivative financial assets. Account receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'account receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized costs, account receivables, other receivables, guarantee deposits paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for account receivables is always measured at an amount equal to lifetime ECL.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the expected future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or being more than 180 days past due;
- the lender for economic or contractual reasons relating to the borrower's financial difficulty granting the borrower a concession that would not otherwise be considered;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial assets because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comprehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of the parent in the consolidated financial statements.

Changes in the Company's ownership interests in subsidiaries do not result in loss of control of subsidiaries are equity transactions with owners.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

| | |
|----------------------------|--------------|
| 1) buildings | 3 ~ 36 years |
| 2) machinery and equipment | 1 ~ 12 years |
| 3) other equipment | 2 ~ 11 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be paid under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee; or
- there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment of lease period on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

When the lease liability is remeasured due to the aforementioned changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension or termination options, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory and office equipment and leases of low-value assets, the Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(k) Intangible assets

(i) Recognition and measurement

The intangible assets acquired by the company with a useful life are computer software and right of patent use, which are measured by the amount after deducting the accumulated amortization and accumulated impairment losses from the cost.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software 1~ 10 years

Right of patent use 2~ 20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units("CGUs").

The recoverable amount of an asset or a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Non-financial assets except for goodwill will only be reversed to the extent of the carrying amount (net of depreciation or amortization) determined for the asset in the previous year, if no impairment loss was recognized for the asset.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

(i) Site restoration

In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land and the related expense is recognized when the land is contaminated.

(ii) Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The Company's main types of revenue are explained below.

1) Sale of goods

The Company manufactures and sells TFT-LCD panels and modules. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the time value of money for the transaction prices.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepayment provisions are recognized as an asset to the extent that they will result in a return of cash or a reduction in future payments.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities as of the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration.

(r) Operating segments

The Company has provided the operating segments disclosure in the consolidated financial statements. Therefore, the Company does not disclose segment information in these financial statements.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these financial statements management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the future period.

The judgements made in the process of applying the Company's accounting policies have no the most significant effect on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for normal waste, obsolescence and unmarketable items at the reporting day and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(e) for further description of the valuation of inventories.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(6) Explanation of significant accounts

(a) Cash and cash equivalents

| | <u>December 31,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|---------------------------------------|------------------------------------|------------------------------------|
| Cash on hand | \$ 223 | \$ 127 |
| Cash in banks | | |
| Checking accounts and saving accounts | 2,355,275 | 2,504,032 |
| | <u>\$ 2,355,498</u> | <u>\$ 2,504,159</u> |

For interest rate risk and sensitivity analysis of financial assets, please refer to Note 6(t).

Cash and cash equivalents of the Company were not pledged as collateral.

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

| | <u>December 31,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|------------------------------------|------------------------------------|
| Held-for-trading financial liabilities: | | |
| Derivative instruments not used for hedging | | |
| Forward exchange contracts | <u>\$ -</u> | <u>\$ 34</u> |

(i) Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Company is exposed to, arising from its operating, financing and investing activities.

The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for- trading financial liabilities:

Forward exchange contracts:

| | <u>December 31, 2022</u> | | |
|-----------------------|---|-----------------|-----------------------|
| | <u>Contract amount (in thousands)</u> | <u>Currency</u> | <u>Maturity dates</u> |
| Forward exchange sold | \$ 1,500 | USD | 2023.02.03 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(c) Account receivables

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Account receivables - measured as amortized cost (including related parties) | \$ 1,152,979 | \$ 1,710,042 |
| Account receivables - fair value through profit or loss | 8,165 | 16,496 |
| Less: loss allowance | (76,841) | (126,540) |
| Total | \$ 1,084,303 | \$ 1,599,998 |

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision. To measure the expected credit losses, account receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

| December 31, 2023 | | | |
|--------------------------|----------------------------------|--|-----------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance |
| Current | \$ 1,009,698 | 0.00% | \$ - |
| Within 30 days past due | 64,766 | 0.00% | - |
| 31 to 60 days past due | 1,674 | 0.00% | - |
| | \$ 1,076,138 | | \$ - |

| December 31, 2022 | | | |
|--------------------------|----------------------------------|--|-----------------------|
| | Gross carrying amount | Weighted- average loss rate | Loss allowance |
| Current | \$ 1,502,245 | 0.00% | \$ - |
| Within 30 days past due | 67,123 | 0.00% | - |
| 31 to 60 days past due | 13,907 | 0.00% | - |
| 61 to 90 days past due | 163 | 0.00% | - |
| 91 to 180 days past due | 74 | 13.51% | 10 |
| | \$ 1,583,512 | | \$ 10 |

In addition, the Company recognized the allowance for losses of \$76,841 and \$126,530 thousands for account receivables that could not reasonably be expected to be recoverable on December 31, 2023 and 2022, respectively.

The movement in the allowance for account receivables was as follows:

| | 2023 | 2022 |
|-------------------------------|------------------|-------------------|
| Balance at January 1 | \$ 126,540 | \$ 128,257 |
| Impairment losses reversed | (49,699) | (1,717) |
| Balance at December 31 | \$ 76,841 | \$ 126,540 |

Account receivables of the Company were not pledged as collateral.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The Company entered into separate factoring agreements with different financial institutions to sell its account receivables. Under the agreements, the Company does not have the responsibility to assume the default risks of the transferred account receivables but is liable for the losses incurred on any business dispute. The Company derecognized the above account receivables because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The account receivables from the financial institutions were recognized as "other receivables" upon the derecognition of those account receivables.

As of December 31, 2023 and 2022, the Company sold its account receivables without recourse as follows:

Unit: thousand dollars

| December 31, 2023 | | | | | |
|--------------------------|-----------------------------|-----------------------|------------------------|-------------------------------|-------------------|
| Purchaser | Derecognition Amount | Factoring Line | Advanced Amount | Range of Interest Rate | Collateral |
| Financial institution | USD <u>592</u> | USD <u>4,800</u> | TWD <u>-</u> | - | None |

| December 31, 2022 | | | | | |
|--------------------------|-----------------------------|-----------------------|------------------------|-------------------------------|-------------------|
| Purchaser | Derecognition Amount | Factoring Line | Advanced Amount | Range of Interest Rate | Collateral |
| Financial institution | USD <u>714</u> | USD <u>5,800</u> | TWD <u>-</u> | - | None |

As of December 31, 2023 and 2022, the Company sold the account receivables without recourse of \$18,192 and \$21,942 thousands and recognized as other receivables.

(d) Other receivables

| | December 31, 2023 | December 31, 2022 |
|-------------------------------|--------------------------|--------------------------|
| Account receivables factoring | \$ 18,192 | \$ 21,942 |
| Tax refund | 19,281 | 19,907 |
| Others | 45,258 | 30,233 |
| | <u>\$ 82,731</u> | <u>\$ 72,082</u> |

The other receivables were not overdue nor pledged as collateral.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(e) Inventories

| | December 31, 2023 | December 31, 2022 |
|------------------|----------------------|----------------------|
| Raw materials | \$ 858,960 | \$ 829,828 |
| Work in progress | 345,466 | 283,789 |
| Finished goods | 348,652 | 535,893 |
| | \$ 1,553,078 | \$ 1,649,510 |

The details of the cost of sales were as follows:

| | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|
| Cost of sales | \$ 8,164,323 | \$ 9,175,130 |
| Loss on inventory valuation | 38,855 | 8,424 |
| Unallocated manufacturing overheads | 66,270 | 84,911 |
| Inventory scrapped loss | 41,183 | 31,619 |
| Others | - | 32,490 |
| Total | \$ 8,310,631 | \$ 9,332,574 |

Inventories of the Company were not pledged as collateral.

(f) Investments accounted for using equity method

| | December 31, 2023 | December 31, 2022 |
|---------------------------|----------------------|----------------------|
| Subsidiary of the Company | \$ 3,818,910 | \$ 3,826,524 |

(i) Subsidiary of the Company

Please refer to the consolidated financial statements.

(ii) Guarantee

The investments accounted for using equity method of the Company were not pledged as collateral.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(g) Property, plant and equipment

The movement of cost, depreciation, and impairment of the property, plant and equipment of the Company was as follows:

| | | Land | Buildings and construction | Machinery and Equipment | Other equipment | Construction in progress and equipment awaiting inspection | Total |
|------------------------------------|----|------------------|----------------------------|-------------------------|-----------------|--|-------------------|
| Cost: | | | | | | | |
| Balance on January 1, 2023 | \$ | 4,133,511 | 3,586,995 | 7,035,605 | 685,660 | 77,869 | 15,519,640 |
| Additions | | - | 3,010 | 52,234 | 35,120 | 55,156 | 145,520 |
| Disposal | | - | (12,965) | (44,034) | (71,083) | - | (128,082) |
| Transfer (out) in | | - | - | 81,918 | 15 | (77,800) | 4,133 |
| Balance on December 31, 2023 | \$ | 4,133,511 | 3,577,040 | 7,125,723 | 649,712 | 55,225 | 15,541,211 |
| Balance on January 1, 2022 | \$ | 4,133,511 | 3,589,449 | 6,970,174 | 678,522 | 76,839 | 15,448,495 |
| Additions | | - | 760 | 49,714 | 28,359 | 18,259 | 97,362 |
| Disposal | | - | (3,214) | (6,387) | (21,221) | - | (30,822) |
| Transfer (out) in | | - | - | 22,104 | - | (17,499) | 4,605 |
| Balance on December 31, 2022 | \$ | 4,133,511 | 3,586,995 | 7,035,605 | 685,660 | 77,869 | 15,519,640 |
| Depreciation and impairments loss: | | | | | | | |
| Balance on January 1, 2023 | \$ | - | 2,989,631 | 6,701,813 | 654,860 | - | 10,346,304 |
| Depreciation | | - | 164,853 | 128,917 | 22,738 | - | 316,508 |
| Disposal | | - | (12,965) | (44,034) | (71,083) | - | (128,082) |
| Transfer (out) in | | - | - | (8) | 8 | - | - |
| Balance on December 31, 2023 | \$ | - | 3,141,519 | 6,786,688 | 606,523 | - | 10,534,730 |
| Balance on January 1, 2022 | \$ | - | 2,822,988 | 6,571,503 | 654,379 | - | 10,048,870 |
| Depreciation | | - | 169,857 | 136,697 | 21,702 | - | 328,526 |
| Disposal | | - | (3,214) | (6,387) | (21,221) | - | (30,822) |
| Balance on December 31, 2022 | \$ | - | 2,989,631 | 6,701,813 | 654,860 | - | 10,346,304 |
| Carrying amounts: | | | | | | | |
| Balance on December 31, 2023 | \$ | 4,133,511 | 435,521 | 339,035 | 43,189 | 55,225 | 5,006,481 |
| Balance on January 1, 2022 | \$ | 4,133,511 | 766,461 | 398,671 | 24,143 | 76,839 | 5,399,625 |
| Balance on December 31, 2022 | \$ | 4,133,511 | 597,364 | 333,792 | 30,800 | 77,869 | 5,173,336 |

The property, plant and equipment of the Company had been pledged as collateral for long-term borrowings, please refer to Note 8.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(h) Intangible assets

The movement of intangible assets of the Company was as follows:

| | Computer software | Right of patent use | Total |
|-------------------------------------|------------------------------|--------------------------------|-----------------------|
| Cost: | | | |
| Balance on January 1, 2023 | \$ 120,557 | - | 120,557 |
| Acquisition | 1,572 | 426,557 | 428,129 |
| Balance on December 31, 2023 | <u>\$ 122,129</u> | <u>426,557</u> | <u>548,686</u> |
| Balance on January 1, 2022 | \$ 117,556 | - | 117,556 |
| Acquisition | 3,001 | - | 3,001 |
| Balance on December 31, 2022 | <u>\$ 120,557</u> | <u>-</u> | <u>120,557</u> |
| Amortization and impairment losses: | | | |
| Balance on January 1, 2023 | \$ 115,516 | - | 115,516 |
| Amortization | 2,325 | 39,820 | 42,145 |
| Balance on December 31, 2023 | <u>\$ 117,841</u> | <u>39,820</u> | <u>157,661</u> |
| Balance on January 1, 2022 | \$ 111,019 | - | 111,019 |
| Amortization | 4,497 | - | 4,497 |
| Balance on December 31, 2022 | <u>\$ 115,516</u> | <u>-</u> | <u>115,516</u> |
| Carrying amount: | | | |
| Balance on December 31, 2023 | <u>\$ 4,288</u> | <u>386,737</u> | <u>391,025</u> |
| Balance on January 1, 2022 | <u>\$ 6,537</u> | <u>-</u> | <u>6,537</u> |
| Balance on December 31, 2022 | <u>\$ 5,041</u> | <u>-</u> | <u>5,041</u> |

(i) Long-term borrowings

| December 31, 2023 | | | | |
|-------------------------------|-----------------|-------------|---------------------------|--------------------------|
| | Currency | Rate | Maturity day | Amount |
| Secured bank loans | TWD | 1.80%~2.00% | 2026.04.15~ 2027.04.10 | \$ 796,720 |
| Less: current portion | | | | (274,301) |
| Total | | | | <u>\$ 522,419</u> |
| Unused long-term credit lines | | | | <u>\$ 510,000</u> |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

| | December 31, 2022 | | | |
|-------------------------------|--------------------------|-------------|---------------------------|----------------------------|
| | Currency | Rate | Maturity day | Amount |
| Secured bank loans | TWD | 1.68%~1.78% | 2026.04.15~ 2027.04.10 | \$ 1,489,355 |
| Less: current portion | | | | (275,968) |
| Total | | | | <u><u>\$ 1,213,387</u></u> |
| Unused long-term credit lines | | | | <u><u>\$ 510,000</u></u> |

For the collateral for bank loan, please refer to Note 8.

Please refer to Note 6(t) for interest rate analysis and risk of liquidity of the Company.

(j) Lease liabilities

The amounts of lease liabilities of the Company were as follows:

| | December 31, 2023 | December 31, 2022 |
|-------------|------------------------------|------------------------------|
| Current | <u><u>\$ 525</u></u> | <u><u>\$ 1,023</u></u> |
| Non-current | <u><u>\$ 965</u></u> | <u><u>\$ 1,477</u></u> |

For the maturity analysis, please refer to Note 6((t)).

The amounts recognized in profit or loss were as follows:

| | 2023 | 2022 |
|---|------------------------|------------------------|
| Interest on lease liabilities | <u><u>\$ 16</u></u> | <u><u>\$ 28</u></u> |
| Expenses relating to short-term leases | <u><u>\$ 6,834</u></u> | <u><u>\$ 8,070</u></u> |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <u><u>\$ 178</u></u> | <u><u>\$ 198</u></u> |

The amounts recognized in the statement of cash flows were as follows:

| | 2023 | 2022 |
|-------------------------------|------------------------|-------------------------|
| Total cash outflow for leases | <u><u>\$ 8,038</u></u> | <u><u>\$ 10,514</u></u> |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(i) Real estate leases

The Company leases lands and buildings for its office space, plants and staff dormitory. The leases of office space, plants and staff dormitory typically run for a period of one to seven years.

(ii) Other leases

The Company leases vehicles and other equipment, with lease terms of two to five years.

The Company also leases part of the staff dormitory, office equipment and other equipment with lease terms of one to two years. These leases are short-term or leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(k) Operating lease

The Company leases out its real estate. As it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets, it is classified as operating lease.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

| | December 31, 2023 | December 31, 2022 |
|-----------------------------------|------------------------------|------------------------------|
| Less than one year | \$ 61,502 | \$ 47,778 |
| One to two years | 54,385 | 45,859 |
| Two to three years | 43,133 | 39,913 |
| Three to four years | 24,117 | 22,902 |
| Four to five years | 23,774 | 22,902 |
| More than five years | 33,914 | 56,022 |
| Total undiscounted lease payments | \$ 240,825 | \$ 235,376 |

(l) Provisions

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Provision for capacity reservation agreements (recorded in current liabilities) | \$ 32,490 | \$ 32,490 |
| Site restoration | 95,238 | 95,238 |
| | \$ 127,728 | \$ 127,728 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(i) Provision for capacity reservation agreements

Provisions for capacity reservation agreements were made based on agreed price and required quantity in agreements signed with the suppliers. The provision for the aforementioned agreements is recognized when the expected benefits are lower than the unavoidable cost about fulfilling agreed obligations.

(ii) Site restoration

In April 2017, the Company bought the land. And it has obligation to restore the land. Due to the nature of the provision long-term liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Company has assumed that the site will be restored using technology and materials that are available currently. The Company has been provided with a range of reasonably possible outcomes of the total cost. The restoration is expected to occur in the future.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value was as follows:

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Present value of the defined benefit obligations | \$ 78,099 | \$ 78,019 |
| Fair value of plan assets | (77,779) | (77,256) |
| Net defined benefit liabilities | \$ 320 | \$ 763 |

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Act) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$77,779 thousand at the reporting day. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company were as follows:

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| Defined benefit obligations at January 1 | \$ 78,019 | \$ 81,932 |
| Current service costs and interest cost | 967 | 530 |
| Remeasurement on the net defined benefit liabilities | | |
| — Experience adjustments arising on the actuarial gains or losses | 1,494 | 1,348 |
| — Actuarial losses (gain) arising from: | | |
| - Demographic assumptions | 370 | (8) |
| - Financial assumptions | - | (5,276) |
| Gain or loss from the settlement | (2,751) | - |
| Benefits paid | - | (507) |
| Defined benefit obligations at December 31 | <u><u>\$ 78,099</u></u> | <u><u>\$ 78,019</u></u> |

3) Movements of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

| | 2023 | 2022 |
|--|---------------------------|---------------------------|
| Fair value of plan assets at January 1 | \$ (77,256) | \$ (69,667) |
| Interest income | (969) | (456) |
| Remeasurement on the net defined benefit liabilities | | |
| — Return of plan assets excluding interest income | (659) | (5,897) |
| Contribution made | (1,778) | (1,743) |
| Payment Amount for project Asset Amortization | 2,883 | - |
| Benefits paid | - | 507 |
| Fair value of plan assets at December 31 | <u><u>\$ (77,779)</u></u> | <u><u>\$ (77,256)</u></u> |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|---------------------|
| Current service costs | \$ 132 | \$ - |
| Net interest of net liabilities for defined benefit obligations | (2) | 74 |
| | <u><u>\$ 130</u></u> | <u><u>\$ 74</u></u> |
| Operating costs | \$ - | \$ 19 |
| Operating expenses | 130 | 55 |
| | <u><u>\$ 130</u></u> | <u><u>\$ 74</u></u> |

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

| | <u>2023</u> | <u>2022</u> |
|-----------------------------|-------------|-------------|
| Discount rate | 1.25 % | 1.25 % |
| Future salary increase rate | 2.00 % | 2.00 % |

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for the years ended December 31, 2023 and 2022 is \$1,804 thousand and \$1,793 thousand, respectively.

The weighted average lifetime of the defined benefits plans for the years ended December 31, 2023 and 2022 are both 10 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

| | Influences of defined benefit obligations | |
|----------------------|--|------------------------|
| | <u>Increased 0.25%</u> | <u>Decreased 0.25%</u> |
| December 31, 2023: | | |
| Discount rate | \$ (1,971) | \$ 2,042 |
| Future salary growth | 2,022 | (1,961) |
| December 31, 2022: | | |
| Discount rate | \$ (2,062) | \$ 2,140 |
| Future salary growth | 2,119 | (2,052) |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

The method and assumptions used in the preparation of the sensitivity analysis was the same as the previous period.

(ii) Defined contribution plans

The Company contributes 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$58,196 thousand and \$56,642 thousand for the years ended December 31, 2023 and 2022, respectively. Payment was made to the Bureau of Labor Insurance.

(n) Income taxes

(i) Tax expense

The components of expense of the Company were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------------|------------------------|
| Current tax expense | | |
| Current-year tax | \$ 59,781 | \$ 112,006 |
| Tax incentives | <u>-</u> | <u>(3,806)</u> |
| | <u>59,781</u> | <u>108,200</u> |
| Deferred tax expense | | |
| Recognition of previously unrecognized tax losses | <u>(35,674)</u> | <u>(106,783)</u> |
| | <u>(35,674)</u> | <u>(106,783)</u> |
| Tax expense | <u><u>\$ 24,107</u></u> | <u><u>\$ 1,417</u></u> |

No income tax recognized directly in equity or other comprehensive income.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

Reconciliation of tax expense and profit before tax was as follows:

| | 2023 | 2022 |
|---|-------------------|-------------------|
| Profit excluding income tax | \$ 260,263 | \$ 615,091 |
| Income tax using the Company's domestic tax rate | \$ 52,053 | \$ 123,018 |
| Non-deductible expenses | (330) | (335) |
| Tax exempt income | (21) | - |
| Recognition of previously unrecognized tax losses | (35,674) | (106,783) |
| Change in unrecognized temporary differences | (16,077) | (38,142) |
| Tax incentives | - | (3,806) |
| Additional income tax on unappropriated earnings | 24,107 | 5,224 |
| Others | 49 | 22,241 |
| Tax expense | \$ 24,107 | \$ 1,417 |

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details were as follows:

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Aggregate amount of temporary differences related to investments in subsidiaries | \$ 2,426,864 | \$ 2,447,930 |
| Unrecognized deferred tax liabilities | \$ 485,373 | \$ 489,586 |

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

| | December 31, 2023 | December 31, 2022 |
|--|------------------------------|------------------------------|
| Tax effect of deductible temporary differences | \$ 275,805 | \$ 300,136 |
| The carry forward of unused tax losses | 95,393 | 123,934 |
| | \$ 371,198 | \$ 424,070 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over 10 years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2023, the Company's unused tax losses for which no deferred tax assets were recognized were as follows:

| Year of loss | Unused tax loss | Expiry year |
|--------------|-----------------|-------------|
| 2020 | \$ 476,967 | 2030 |

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities were as follows:

| | Unrealized Gain of exchange | Others | Total |
|----------------------------------|--|---------------|-------------------|
| Deferred tax liabilities: | | | |
| Balance at January 1, 2023 | \$ - | \$ 49 | \$ 49 |
| Recognized in profit or loss | - | (49) | (49) |
| Balance at December 31, 2023 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Balance at January 1, 2022 | \$ 22,232 | \$ 58 | \$ 22,290 |
| Recognized in profit or loss | (22,232) | (9) | (22,241) |
| Balance at December 31, 2022 | <u>\$ -</u> | <u>\$ 49</u> | <u>\$ 49</u> |
| | | | Tax losses |
| Deferred tax assets: | | | |
| Balance at January 1, 2023 | | | \$ 49 |
| Recognized in profit or loss | | | (49) |
| Balance at December 31, 2023 | | | <u>\$ -</u> |
| Balance at January 1, 2022 | | | \$ 22,290 |
| Recognized in profit or loss | | | (22,241) |
| Balance at December 31, 2022 | | | <u>\$ 49</u> |

(iii) Assessment of tax

The Company's tax returns for the years through 2021 were assessed by the competent tax authority.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized capital was 6,500,000 thousand with the par value of NT\$10 per share, of which 441,545 thousand shares were issued and outstanding. All issued shares were paid up upon issuance.

(ii) Capital surplus

| | December 31, 2023 | December 31, 2022 |
|---|------------------------------|------------------------------|
| Share premium | \$ 2,308,555 | \$ 2,308,555 |
| Buyback of convertible bonds | 286,921 | 286,921 |
| Lapsed employee share options | 17,253 | 17,253 |
| Change in equity of associates accounted for under equity method | 5,832 | 5,832 |
| Treasury share transactions | 421 | 421 |
| | \$ 2,618,982 | \$ 2,618,982 |

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, can be transferred to common stock as stock dividends or distributed by cash based on the original shareholding percentage. Realized capital surplus includes the additional paid-in capital derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in each year shall not exceed 10% of the share capital.

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting tax and accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside or reversed in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years and adjustments form retained earnings in the current year, can be distributed as dividends to stockholders after the shareholders' meeting approves the distribution plan submitted by the Board of Directors.

According to the R.O.C. Company Act No 240(5), the Company authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The Company's industrial development is at a growth stage, in order to consider its future business development and shareholders' expectation of cash, the principle of cash distribution of dividend should contain 10 % of the entire dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

Before distributing earnings, a portion of current-period earnings plus other current earnings and undistributed prior-period earnings shall be reclassified as special reserve for an amount equal to the net debit balance of other equity in the current period. The net debit balance of other equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. When the amount of the net debit balance of other equity is reversed subsequently, the reversed amount can be included in the distributable earnings.

3) Earnings distribution

The Company resolved in the board meetings held on March 14, 2024 and March 15, 2023 to determine the cash dividend amount of the earnings distribution for the years ended December 31, 2023 and 2022. The dividends distributable to the owners were shown as below:

| | 2023 | | 2022 | |
|---|--------------------------------|----------------------|--------------------------------|----------------------|
| | Dividend per share (\$) | Amount | Dividend per share (\$) | Amount |
| Dividends distributable to the owners of ordinary shares: | | | | |
| Cash | \$ 0.10 | <u>44,154</u> | \$ 0.20 | <u>88,309</u> |

(iv) Other equity (net of tax)

| | Exchange differences on translation of foreign financial statements | Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | Total |
|--|--|--|---------------------------|
| Balance at January 1, 2023 | \$ (34,069) | \$ (46,036) | \$ (80,105) |
| Exchange differences on foreign operations | (9,582) | - | (9,582) |
| Balance at December 31, 2023 | <u>\$ (43,651)</u> | <u>\$ (46,036)</u> | <u>\$ (89,687)</u> |
| Balance at January 1, 2022 | \$ (43,366) | \$ (46,036) | \$ (89,402) |
| Exchange differences on foreign operations | 9,297 | - | 9,297 |
| Balance at December 31, 2022 | <u>\$ (34,069)</u> | <u>\$ (46,036)</u> | <u>\$ (80,105)</u> |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(p) Earnings per share

The calculations of basic earnings per share and diluted earnings per share were as follows:

| | <u>2023</u> | <u>2022</u> |
|---|-------------------|-------------------|
| Basic earnings per share | | |
| Profit attributable to ordinary shareholders of the Company | \$ <u>236,156</u> | \$ <u>613,674</u> |
| Weighted average number of ordinary shares (in thousands of shares) | <u>441,545</u> | <u>441,545</u> |
| Basic earnings per share (NT dollars) | \$ <u>0.53</u> | \$ <u>1.39</u> |
| Diluted earnings per share | | |
| Profit attributable to ordinary shareholders of the Company | \$ <u>236,156</u> | \$ <u>613,674</u> |
| Weighted average number of ordinary shares (in thousands of shares) | <u>441,545</u> | <u>441,545</u> |
| Effect of dilutive potential ordinary shares | | |
| Effect of employee share bonus | <u>1,485</u> | <u>2,694</u> |
| Weighted average number of ordinary shares (in thousands of shares) (After adjustment for dilutive potential common share impact) | <u>443,030</u> | <u>444,239</u> |
| Diluted earnings per share (NT dollars) | \$ <u>0.53</u> | \$ <u>1.38</u> |

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

| | <u>2023</u> | <u>2022</u> |
|-------------------------------|---------------------|----------------------|
| Primary geographical markets: | | |
| Taiwan | \$ 2,126,495 | \$ 2,636,751 |
| China, Hong Kong and Macao | 1,670,809 | 2,294,592 |
| Japan | 1,592,768 | 1,802,462 |
| Europe | 989,598 | 868,451 |
| America | 963,190 | 673,022 |
| Other | 1,684,080 | 2,016,866 |
| | \$ <u>9,026,940</u> | \$ <u>10,292,144</u> |
| Major products: | | |
| LCD panel and module | \$ <u>9,026,940</u> | \$ <u>10,292,144</u> |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(ii) Contract balances

| | December 31, 2023 | December 31, 2022 | January 1, 2022 |
|---|----------------------------|----------------------------|----------------------------|
| Account receivables | \$ 1,161,144 | \$ 1,726,538 | \$ 1,677,474 |
| Less: allowance for impairment | (76,841) | (126,540) | (128,257) |
| | <u><u>\$ 1,084,303</u></u> | <u><u>\$ 1,599,998</u></u> | <u><u>\$ 1,549,217</u></u> |
| Contract liabilities (recorded in other current liabilities) | <u><u>\$ 153,994</u></u> | <u><u>\$ 146,729</u></u> | <u><u>\$ 137,702</u></u> |

For details on account receivables and allowance for impairment, please refer to Note 6(c).

The amount of revenue recognized for years 2023 and 2022 that was included in the contract liability balance at the beginning of the period were \$126,171 thousand and \$109,756 thousand, respectively.

(r) Employee compensation and directors' remuneration

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 1% will be distributed as employee remuneration, and a maximum of 1.5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's affiliated companies who meet certain specific requirements.

For the years ended December 31, 2023 and 2022, remuneration of employees of \$13,844 thousand and \$32,718 thousand, respectively, and remuneration of directors of \$2,769 thousand and \$6,544 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating costs or operating expenses for years 2023 and 2022.

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

The amounts, as stated in the financial statements, are identical to those of the actual distributions made by the Board of Directors for years 2023 and 2022. Related information is available on the website of the Market Observation Post System.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(s) Non-operating income and expenses

(i) Interest income

The details of interest income was as follows:

| | 2023 | 2022 |
|------------------------------------|------------------|------------------|
| Interest income from bank deposits | \$ 27,576 | \$ 10,082 |
| Others | - | 29 |
| | \$ 27,576 | \$ 10,111 |

(ii) Other income

The details of other income were as follows:

| | 2023 | 2022 |
|---------------|-------------------|-------------------|
| Rental income | \$ 55,389 | \$ 46,727 |
| Others | 237,719 | 166,044 |
| | \$ 293,108 | \$ 212,771 |

(iii) Other gains and losses

The details of other gains and losses were as follows:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Gains on disposals of property, plant and equipment | \$ 76 | \$ 78 |
| Foreign exchange gains (losses) | 20,958 | (19,832) |
| Gains (losses) on financial assets (liabilities) at fair value through profit or loss | 1,099 | (5,577) |
| Others | (143,423) | (123,739) |
| | \$ (121,290) | \$ (149,070) |

(iv) Finance costs

The detail of finance costs was as follows:

| | 2023 | 2022 |
|------------------|------------------|------------------|
| Interest expense | \$ 80,029 | \$ 52,123 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(t) Financial instruments

(i) Credit risk

i. Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

ii. Concentration of credit risk

The major customers of the Company are centralized in producing panels. In order to minimize the credit risk of account receivables, the Company periodically evaluates the financial position of customers, assessing the possibility of receivables recovery, and providing allowance for bad debts regularly. The impairment is always within the management's expectations. As of December 31, 2023 and 2022, the concentration rates from top 10 customers were 47% and 50%, respectively. The concentration of credit risk of other receivables is relatively insignificant.

iii. Receivables securities

For credit risk exposure of account receivables, please refer to Note 6(c).

Other financial assets at amortized cost include other receivables and time deposits, etc.

All of these financial assets are considered to have low credit risk, and thus, the impairment provision recognized during the period was limited to 12-months expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(f).

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

| | <u>Carrying amount</u> | <u>Contractual cash flows</u> | <u>Within 6 months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2- 5 years</u> | <u>Over 5 years</u> |
|--|----------------------------|-----------------------------------|----------------------------|------------------------|-----------------------|-----------------------|-------------------------|
| December 31, 2023 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loans | \$ 796,720 | 818,531 | 143,962 | 142,645 | 281,343 | 250,581 | - |
| Account payables | 1,128,014 | 1,128,014 | 1,128,014 | - | - | - | - |
| Account payables-related party | 952,953 | 952,953 | 952,953 | - | - | - | - |
| Other payables | 846,213 | 846,213 | 846,213 | - | - | - | - |
| Other payables-related party | 2,495,556 | 2,495,556 | 2,495,556 | - | - | - | - |
| Lease liabilities | 1,490 | 1,509 | 264 | 264 | 527 | 454 | - |
| Long-term account payables (recorded in other non-current liabilities) | 143,085 | 143,085 | - | - | 35,925 | 107,160 | - |
| | <u>\$ 6,364,031</u> | <u>6,385,861</u> | <u>5,566,962</u> | <u>142,909</u> | <u>317,795</u> | <u>358,195</u> | <u>-</u> |
| December 31, 2022 | | | | | | | |
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loans | \$ 1,489,355 | 1,542,238 | 68,181 | 231,862 | 457,937 | 784,258 | - |
| Account payables | 1,392,487 | 1,392,487 | 1,392,487 | - | - | - | - |
| Account payables-related party | 951,794 | 951,794 | 951,794 | - | - | - | - |
| Other payables | 886,737 | 886,737 | 886,737 | - | - | - | - |
| Other payables-related party | 2,448,144 | 2,448,144 | 2,448,144 | - | - | - | - |
| Lease liabilities | 2,500 | 2,536 | 564 | 464 | 527 | 981 | - |
| Derivative financial liabilities | | | | | | | |
| Other forward exchange contracts | | | | | | | |
| Outflow | 34 | 45,928 | 45,928 | - | - | - | - |
| Inflow | - | (45,894) | (45,894) | - | - | - | - |
| | <u>\$ 7,171,051</u> | <u>7,223,970</u> | <u>5,747,941</u> | <u>232,326</u> | <u>458,464</u> | <u>785,239</u> | <u>-</u> |

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

| | December 31, 2023 | | | December 31, 2022 | | | |
|------------------------------|---------------------|------------------|--------|---------------------|------------------|--------|-----------|
| | Foreign currency | Exchange rate | TWD | Foreign currency | Exchange rate | TWD | |
| <u>Financial assets</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD | \$ | 95,617 | 30.705 | 2,935,920 | 93,735 | 30.710 | 2,878,602 |
| JPY | | 1,060,207 | 0.217 | 230,065 | 1,353,119 | 0.232 | 313,924 |
| <u>Financial liabilities</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD | \$ | 126,376 | 30.705 | 3,880,375 | 130,765 | 30.710 | 4,015,793 |
| JPY | | 1,573,603 | 0.217 | 341,472 | 1,319,006 | 0.232 | 306,009 |

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets measured at amortized cost, account and other receivables, account and other payables and lease liabilities that are denominated in foreign currency. The analysis is performed on the same basis for the two periods.

A weakening or strengthening of 1% of the TWD against the USD for years 2023 and 2022 would have both decreased or increased the net profit before tax by \$9,445 and \$11,372 thousand, respectively. The analysis assumes that all other variables remain constant.

A weakening or strengthening of 1% of the TWD against the JPY for years 2023 and 2022 would have decreased or increased and increased or decreased the net profit before tax by \$1,114 thousand and \$79 thousand, respectively. The analysis assumes that all other variables remain constant.

3) Foreign exchange gains or losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$20,958 thousand and \$(19,832) thousand, respectively.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased / decreased by 10 basis points, the Company's net profit (loss) would have increased or decreased by \$1,247 thousand and \$812 thousand for years 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the variable rates of the Company's bank deposits and borrowing.

(v) Information of fair value

1) Type and fair value of financial instruments

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; except financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

| | | December 31, 2023 | | | |
|---|---------------------|-------------------|---------|---------|-------|
| | | Fair value | | | |
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 2,355,498 | - | - | - | - |
| Account receivables | 964,026 | - | - | - | - |
| Account receivables-related party | 120,277 | - | - | - | - |
| Other receivables | 82,731 | - | - | - | - |
| Guaranteed deposits paid (recorded in other non-current assets) | 158,183 | - | - | - | - |
| Total | \$ 3,680,685 | - | - | - | - |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans | \$ 796,720 | - | - | - | - |
| Account payables | 1,128,014 | - | - | - | - |
| Account payables-related party | 952,953 | - | - | - | - |
| Other payables | 846,213 | - | - | - | - |
| Other payables-related party | 2,495,556 | - | - | - | - |
| Lease liabilities | 1,490 | - | - | - | - |
| Guarantee deposits received (recorded in other non-current liabilities) | 13,595 | - | - | - | - |
| Long-term account payables (recorded in other non-current liabilities) | 143,085 | - | - | - | - |
| Subtotal | 6,377,626 | - | - | - | - |
| Total | \$ 6,377,626 | - | - | - | - |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

| December 31, 2022 | | | | | |
|---|----------------------------|-----------------|------------------|-----------------|------------------|
| | | Fair value | | | |
| | Carrying value | Level 1 | Level 2 | Level 3 | Total |
| Financial assets measured at amortized cost | | | | | |
| Cash and cash equivalents | \$ 2,504,159 | - | - | - | - |
| Account receivables | 1,444,311 | - | - | - | - |
| Account receivables-related party | 155,687 | - | - | - | - |
| Other receivables | 72,082 | - | - | - | - |
| Other financial assets (recorded in other current assets) | 2,138 | - | - | - | - |
| Guaranteed deposits paid (recorded in other non-current assets) | 197,648 | - | - | - | - |
| Total | <u><u>\$ 4,376,025</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |
| Financial liabilities at fair value through profit or loss | | | | | |
| Derivative financial liabilities | \$ 34 | - | 34 | - | 34 |
| Financial liabilities measured at amortized cost | | | | | |
| Bank loans | \$ 1,489,355 | - | - | - | - |
| Account payables | 1,392,487 | - | - | - | - |
| Account payables-related party | 951,794 | - | - | - | - |
| Other payables | 886,737 | - | - | - | - |
| Other payables-related party | 2,448,144 | - | - | - | - |
| Lease liabilities | 2,500 | - | - | - | - |
| Guarantee deposits received (recorded in other non-current liabilities) | 14,555 | - | - | - | - |
| Subtotal | <u>7,185,572</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u><u>\$ 7,185,606</u></u> | <u><u>-</u></u> | <u><u>34</u></u> | <u><u>-</u></u> | <u><u>34</u></u> |

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted price in the active market. The market prices announced by major exchanges or over-the-counter market are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments that are publicly quoted in the active market.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of a forward currency contract is usually determined by the forward currency exchange rate.

4) Transfers between Level 1 and Level 2: None

(u) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The aforementioned risk exposure information, the objectives, policies, and procedures for measuring and managing risks of the Company, are described in this note. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The objective of the financial risk management from the Company is to manage market risk, credit risk and liquidity risk. The policies and risks preference were established by the Company to recognize, measure, and manage the risks mentioned above.

The Company established adequacy policies, procedures and internal control system for the financial risk management. The Board of Directors and Audit Committee monitors and reviews the major financial activities in accordance with procedures required by relevant regulations and internal controls. During the execution of financial management activities, the Company has to actually abide by the relevant regulations on financial risk management.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, financial instruments and receivables.

1) Account and other receivables

Each business unit manages customer credit risk by following the policies, procedures and controls of the customer's credit risk of the Company. The credit risk assessment of all customers is based on factors such as the financial status of the customer, the evaluation of the credit rating agency, past historical trading experience, current economic environment and internal company evaluation criteria. The Company also uses certain credit enhancement tools (such as advance sales receipts) at appropriate times to reduce the credit risk of specific customers.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, financial institutions, corporate organizations, and government agencies with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees for transactions involving equity investment that is more than 50% directly or indirectly owned. As of December 31, 2023 and 2022, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligation when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2023 and 2022, the Company's unused credit line were \$2,390,583 thousand and \$2,811,343 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

1) Currency risk

The Company is exposed to currency risk on sales, expenditures, and net investment in a foreign operation that are denominated in a currency other than the respective functional currencies of the Company.

Part of the Company's receivables and payables are the same currency. Meanwhile, a considerable portion will have a natural hedging effect. For some foreign currency payments, forward exchange agreements are used to manage currency risk based on the aforementioned natural hedging. Thus the Company does not comply hedge accounting. Otherwise, the net investment in a foreign operation is considered strategic investment, so the Company has not hedged against this.

2) Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The interest rate risk of the Company is mainly derived from floating rate investments classified as loans and receivables and floating rate borrowings.

3) Other market price risk

The Company holds unlisted equity securities. The price of such equity securities is affected by the uncertainty of the future value of these investment targets. The unlisted equity securities held by the Company are all available for sale. The Company manages the market price risk of equity securities by diversifying investments and setting limits on single and overall equity securities investments. The portfolio information of equity securities is required to be regularly provided to the senior management of the Company, and the board of directors must review and approve the policy of equity securities investments.

(v) Capital management

The Company's capital management policy is to manage its capital to safeguard the capacity to continue as a going concern, to continue to provide a returns for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, and issue new shares, or sell assets to settle any liabilities.

The Company monitors capital using a ratio of 'net debt' to 'adjusted equity'. This ratio is the total net debt divided by the adjusted capital. Net debt is calculated as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity (capital, share premium, retained earnings and other equity) and net debt.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The Company's net debt to adjusted equity ratio at the end of the reporting period, was as follows:

| | December 31, 2023 | December 31, 2022 |
|--------------------------------------|------------------------------|------------------------------|
| Total liabilities | \$ 6,727,048 | \$ 7,510,399 |
| Less: cash and cash equivalents | (2,355,498) | (2,504,159) |
| Net debt | 4,371,550 | 5,006,240 |
| Total equity | 7,918,253 | 7,781,193 |
| Adjusted equity | \$ 12,289,803 | \$ 12,787,433 |
| Ratio of net debt to adjusted equity | 35.57% | 39.15% |

(w) Financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow were as follows:

| | January 1, 2023 | Cash flows | December 31, 2023 |
|--|----------------------------|---------------------|------------------------------|
| Long-term borrowings (including current portion) | \$ 1,489,355 | \$ (692,635) | \$ 796,720 |
| Lease liabilities | 2,500 | (1,010) | 1,490 |
| Total liabilities from financing activities | \$ 1,491,855 | \$ (693,645) | \$ 798,210 |
| | January 1, 2022 | Cash flows | December 31, 2022 |
| Long-term borrowings (including current portion) | \$ 1,600,323 | \$ (110,968) | \$ 1,489,355 |
| Lease liabilities | 4,718 | (2,218) | 2,500 |
| Total liabilities from financing activities | \$ 1,605,041 | \$ (113,186) | \$ 1,491,855 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(7) Related-party transactions

(a) Parent company and ultimate controlling company

TOPPAN Holdings Inc. (originally named TOPPAN INC.) is the parent company and the ultimate controlling party.

(b) Names and relationship with the Company

The followings are related parties that had transactions with the Company during the periods covered in the financial statements.

| <u>Name of related party</u> | <u>Relationship with the Company</u> |
|--|--------------------------------------|
| TOPPAN Holdings Inc. (TOPPAN Holdings) (Note) | The parent company |
| TOPPAN Inc. (TOPPAN) (Note) | Other related party |
| Toppan Chunghwa Electronics Co., Ltd. (TCE) | Other related party |
| Toppan Electronics Taiwan Inc. (TET) | Other related party |
| Giantplus (Samoa) Holding Co., Ltd. (Samoa) | Subsidiary of the Company |
| Giantplus Holding L.L.C. | Subsidiary of the Company |
| Kunshan Giantplus Optronics Display Technology Co., Ltd. (KGO) | Subsidiary of the Company |

Note: The parent company adjusted its organizational structure in October 2023. The original parent company, TOPPAN INC., was renamed TOPPAN Holdings Inc. (TOPPAN Holdings), and a new company, TOPPAN Inc. (TOPPAN), was established.

(c) Significant transactions with related parties

(i) Sales

The amounts of sales by the Company to related parties were as follows:

| | <u>2023</u> | <u>2022</u> |
|-----------------------|-------------------|-------------------|
| Parent company | \$ 364,460 | \$ 547,411 |
| Subsidiaries | 110,429 | 43,542 |
| Other related parties | 130,416 | - |
| | <u>\$ 605,305</u> | <u>\$ 590,953</u> |

The transaction price between the Company and the above-mentioned related parties was not comparable to that of other customers, and no significant differences between the terms of transactions with related parties and other customers. The trading terms for related parties were ranged from 45 to 60 days, while the terms for routine sales were ranged from T/T in advanced to 90 days.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(ii) Purchases

The amounts of purchases by the Company from related parties were as follows:

| | 2023 | 2022 |
|-----------------------|------------------|------------------|
| Parent company | \$ 8,745 | \$ 31,425 |
| Other related parties | 7,261 | 2,345 |
| | \$ 16,006 | \$ 33,770 |

The prices and payment terms of the Company's purchases from the above related parties were not significantly different from those of its regular suppliers. The payment terms for related parties' transaction were ranged from 45 days to 90 days, while the terms for routine purchases were ranged from T/T in advance to 120 days.

(iii) Receivables from related parties

The receivables from related parties were as follows:

| Account | Relationship | December 31, 2023 | December 31, 2022 |
|----------------------|-------------------------|------------------------------|------------------------------|
| Account receivables | Parent company | \$ - | \$ 155,687 |
| Account receivables | Other related party | | |
| | - TOPPAN | 120,277 | - |
| Other receivables | Subsidiaries | 4,445 | 4,737 |
| Other receivables | Other related party-TCE | 11,064 | 14,079 |
| Other current assets | Parent company | - | 47,594 |
| Other current assets | Other related party | | |
| | - TOPPAN | 49,247 | - |
| Other current assets | Other related parties | 7,147 | 6,843 |
| | | \$ 192,180 | \$ 228,940 |

(iv) Payables to related parties

The payables to related parties were as follows:

| Account | Relationship | December 31, 2023 | December 31, 2022 |
|---------------------------|-----------------------|------------------------------|------------------------------|
| Account payables | Parent company | \$ - | \$ 182,418 |
| Account payables | Subsidiary-KGO | 744,680 | 768,539 |
| Account payables | Other related party | | |
| | - TOPPAN | 207,804 | - |
| Account payables | Other related parties | 469 | 837 |
| Other payables | Parent company | - | 20,409 |
| Other payables | Subsidiaries | 70 | - |
| Other payables | Other related parties | 27,787 | 2,116 |
| Other current liabilities | Parent company | - | 18,019 |
| Other current liabilities | Other related parties | 8,387 | 3,900 |
| | | \$ 989,197 | \$ 996,238 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(v) Property transactions

1) Purchases of property, plant and equipment

The prices of property, plant and equipment purchased from related parties were summarized as follows:

| | 2023 | 2022 |
|-----------------------|------------------|-----------------|
| Parent company | \$ 20,228 | \$ 4,417 |
| Other related parties | 7,536 | 1,444 |
| | \$ 27,764 | \$ 5,861 |

(vi) Others

| | Outsourced manufacturing | |
|--------------|---------------------------------|---------------------|
| | 2023 | 2022 |
| Subsidiaries | \$ 1,171,047 | \$ 1,243,157 |

| | Production overheads | |
|-----------------------|-----------------------------|-------------------|
| | 2023 | 2022 |
| Parent company | \$ 188,431 | \$ 309,894 |
| Subsidiaries | 381 | 85 |
| Other related parties | 83,892 | 24 |
| | \$ 272,704 | \$ 310,003 |

| | Operating expenses | |
|-----------------------|---------------------------|-----------------|
| | 2023 | 2022 |
| Parent company | \$ 333 | \$ 1,457 |
| Subsidiaries | 27 | 57 |
| Other related parties | 75 | - |
| | \$ 435 | \$ 1,514 |

| | Other income | |
|-----------------------|---------------------|------------------|
| | 2023 | 2022 |
| Parent company | \$ 51,227 | \$ 41,879 |
| Subsidiaries | 20,897 | 17,421 |
| Other related parties | 21,281 | 6,972 |
| | \$ 93,405 | \$ 66,272 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

| | Other expenses | |
|------------------------------|-----------------------|------------------|
| | 2023 | 2022 |
| Parent company | \$ 17,160 | \$ 43,569 |
| Other related party – TOPPAN | 20,508 | - |
| Other related parties | 10,213 | 2,757 |
| | \$ 47,881 | \$ 46,326 |

(vii) Borrowings from related parties

The borrowings from related parties (included interest payable) were as follows:

| | December 31, 2023 | December 31, 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Subsidiary—Samoa | \$ 1,792,727 | \$ 1,770,811 |
| Subsidiary—Giantplus Holding L.L.C. | 674,972 | 654,808 |
| | \$ 2,467,699 | \$ 2,425,619 |

The interest charged to the Company is calculated based on the average interest rate imposed on related parties' borrowings by external financial institutions. The interest-bearing borrowings provided from related parties are unsecured. The interest paid was as follows:

| | Interest expense | |
|-------------------------------------|-------------------------|------------------|
| | 2023 | 2022 |
| Subsidiary—Samoa | \$ 34,260 | \$ 21,759 |
| Subsidiary—Giantplus Holding L.L.C. | 26,020 | 8,717 |
| | \$ 60,280 | \$ 30,476 |

(d) Key management personnel compensation

| | 2023 | 2022 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | \$ 39,144 | \$ 45,893 |

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(8) Pledged assets

The carrying value of pledged assets were as follows:

| Assets | Pledged to secure | December 31, 2023 | December 31, 2022 |
|---|---|----------------------|----------------------|
| Property, plant and equipment | Bank loan credit lines | \$ 3,873,554 | \$ 3,983,662 |
| Guarantee deposits paid (recorded in other non-current assets) | Capacity reservation deposit, litigation bond and dormitory deposit | 158,153 | 197,648 |
| Other financial assets (recorded in other current assets) | Supplier purchase deposit | - | 2,138 |
| | | <u>\$ 4,031,707</u> | <u>\$ 4,183,448</u> |

(9) Significant contingent liabilities and unrecognized contract commitments

The Company entered into capacity reservation agreements with the supplier, and the company needs to purchase wafers from the supplier at certain prices and quantities.

(10) Significant losses due to major disasters: None

(11) Significant subsequent events: None

(12) Other

(a) A summary of employee benefits, depreciation, and amortization, by function, was as follows:

| By item | By function | 2023 | | | 2022 | | |
|----------------------------------|-------------|-----------------|--------------------|-----------|-----------------|--------------------|-----------|
| | | Operating costs | Operating expenses | Total | Operating costs | Operating expenses | Total |
| Employee benefits | | | | | | | |
| Salary | | 1,047,626 | 293,122 | 1,340,748 | 1,082,663 | 300,331 | 1,382,994 |
| Labor and health insurance | | 103,113 | 26,475 | 129,588 | 99,450 | 24,868 | 124,318 |
| Pension | | 44,777 | 13,549 | 58,326 | 43,670 | 13,046 | 56,716 |
| Remuneration of directors (Note) | | - | 3,714 | 3,714 | - | 7,534 | 7,534 |
| Others | | 36,812 | 11,751 | 48,563 | 38,032 | 11,692 | 49,724 |
| Depreciation | | 287,354 | 30,160 | 317,514 | 299,256 | 31,208 | 330,464 |
| Amortization | | - | 42,145 | 42,145 | 153 | 4,344 | 4,497 |

Note: including income from professional practice, duty pay, and bonuses.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

The Company's number of employees and employee benefit expenses were as follows:

| | 2023 | 2022 |
|---|---------------|---------------|
| Number of employees | 1,626 | 1,678 |
| Number of non-employee directors | 6 | 5 |
| Average employee benefit expense | \$ 974 | \$ 965 |
| Average employee salary expense | \$ 828 | \$ 827 |
| The adjustment on average employee salary expense | 0.12 % | 7.40 % |
| Supervisor's remuneration | \$ - | \$ - |

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

(i) Remunerations to directors and managers

- (1) The remuneration to directors and managers complies with the related laws and regulations set by the government, and is able to attract talents.
- (2) The remuneration to directors and managers is determined by reference to the Company's overall operating performance, future risks, development trends of the industry, and achievement of the Company's short-term and long-term goal, as well as the individual's position, performance achievement rate, contribution to the Company.
- (3) Directors' salaries include the remuneration regulated by the Company's articles of incorporation, director's remuneration, and traveling expense.
- (4) Managers' salaries include salary, holiday bonus, performance bonus, employee remuneration (according to the Company's articles), stock option, retirement pension, and other benefits.

(ii) Employee remuneration

- (1) The wages of the employees of the Company are paid based on the grade table set according to the complexity of their work, the degree of responsibilities, and the professional skills required and Company's overall operating performance. In addition, the wage will be based on the salary given to similar industry, economics, as well as related laws and regulations.
- (2) Employees salary and remuneration are based on their academic experience, professional knowledge, experience and personal performance, but are not differed by their age, gender, race, believes, politics, marriage or union.
- (3) Employee remuneration is distributed according to the Company's performance and employee's performance.
- (4) Non-experience and foreign workers' salaries are in compliance with the related government laws and regulations.
- (5) Employee salaries include salary, holiday bonus, performance bonus, employee remuneration (according to the Company's articles), stock option, and retirement pension.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on the Company's significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

| Number | Name of lender | Name of borrower | Account name | Related party | Highest balance of financing to other parties during the period (Note 4) | Ending balance | Actual usage amount during the period | Range of interest rates during the period | Purposes of fund financing for the borrower (Note1) | Transaction amount for business between two parties | Reasons for short-term financing | Loss allowance | Collateral | | Individual funding loan limits | Maximum limit of fund financing |
|--------|-------------------------------------|--|-------------------|---------------|--|----------------|---------------------------------------|---|---|---|----------------------------------|----------------|------------|-------|--------------------------------|---------------------------------|
| | | | | | | | | | | | | | Item | Value | | |
| 1 | Giantplus (Samoa) Holding Co., Ltd. | Kunshan Giantplus Optronics Display Tech Co., Ltd. | Other receivables | Yes | 1,106,640 | 921,150 | 736,920 | 6.95%-7.52% | 2 | - | Operating activities | - | None | - | 3,832,074 | 3,832,074 |
| 1 | Giantplus (Samoa) Holding Co., Ltd. | The Company | Other receivables | Yes | 2,431,875 | 2,302,875 | 1,750,185 | 1.26%-5.78% | 2 | - | Operating activities | - | None | - | 3,832,074 | 3,832,074 |
| 2 | Giantplus Holding L.L.C. | The Company | Other receivables | Yes | 1,013,430 | 644,805 | 644,805 | 2.68%-5.24% | 2 | - | Operating activities | - | None | - | 1,134,771 | 1,134,771 |

Note 1: For those companies with short-term financing needs, fill out 2.

Note 2: Financing limit for individual: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value, Giantplus Holding L.L.C. 90% of its net asset value.

Note 3: Total financing limit: Giantplus (Samoa) Holding Co., Ltd. 100% of its net asset value, Giantplus Holding L.L.C. 90% of its net asset value.

Note 4: Highest balance of financing to other party during the period.

Note 5: If the public company submits fund financing based on each transaction for a resolution by the Board of Directors in accordance with Article 14(1) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, although the funds have not been allocated, the amount approved by the board shall be included in the ending balance of loans of funds in the announcement to reflect the risk that the company has under taken. However, if the loans of funds are repaid, the balance of the repayment shall be disclosed to reflect the adjustment of risk. If the public company authorizes the chairman of the board to allocate the loans of funds within particular amounts (authorized limits) and repaid over several installments in a year according to the resolution of the board of directors in accordance with Articles 14(2) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company shall still disclose the amount approved by the board of directors. Although the funds will be repaid afterwards, in the consideration of the possibilities of re-loan, the company shall still disclose the amount approved by the board of directors.

Note 6: The amount is based on foreign currency, please refer the spot exchange rate on financial statement date.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

| Name of holder | Category and name of security | Relationship with company | Account title | Ending balance | | | | Note |
|----------------|--------------------------------|---------------------------|---------------|--------------------------|----------------|-----------------------------|------------|------|
| | | | | Shares/Units (thousands) | Carrying value | Percentage of ownership (%) | Fair value | |
| The Company | Chenfeng Optronics Corporation | None | FVOCI | 2,141,452 | - | 2.13 % | - | Note |

Note: No public offer.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20% of the capital: None.

(v) Acquisition of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None.

(vi) Disposal of individual real estate with amount exceeding NT\$300 million or 20% of the capital: None.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(vii) Related-party transactions for purchases and sales with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

| Name of company | Counter-party | Nature of relationship | Transaction details | | | | Transactions with terms different from others | | Notes/account receivables (payable) | | Note |
|--|--|------------------------------|---------------------|-------------|-------------------------------------|---------------|---|---------------|-------------------------------------|---|------|
| | | | Purchase/Sale | Amount | Percentage of total purchases/sales | Payment terms | Unit price | Payment terms | Ending balance | Percentage of total notes/account receivables (payable) | |
| Kunshan Giantplus Optronics Display Tech Co., Ltd. | The Company | The parent company | (Sale) | (1,171,047) | (90) % | 60 Days | - | | 744,680 | 99% | |
| The Company | Kunshan Giantplus Optronics Display Tech Co., Ltd. | Subsidiary | (Sale) | (110,429) | (1) % | 60 Days | - | | - | -% | |
| The Company | TOPPAN Holdings | The Company's parent company | (Sale) | (364,460) | (4) % | 45 Days | - | | - | -% | |
| The Company | TOPPAN | Other related party | (Sale) | (130,416) | (1) % | 45 Days | - | | 120,277 | 10% | |

Note: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding NT\$100 million or 20% of the capital:

(In Thousands of New Taiwan Dollars)

| Name of company | Counter-party | Nature of relationship | Ending balance | Turnover Rate (Note 4) | Overdue | | Amounts received in subsequent period | Loss allowance for bad debts |
|---|--|------------------------|----------------|------------------------|---------|--------------|---------------------------------------|------------------------------|
| | | | | | Amount | Action taken | | |
| The Company (Note 2) | TOPPAN | Other related party | 120,277 | 2.17 | - | | 115,683 | - |
| Kunshan Giantplus Optronics Display Tech Co., Ltd. (Note 2) | The Company | The parent company | 744,680 | 1.55 | - | | 744,680 | - |
| Giantplus (Samoa) Holding Co., Ltd. (Note 3) | Kunshan Giantplus Optronics Display Tech Co., Ltd. | Subsidiary | 763,775 | - | - | | - | - |
| Giantplus (Samoa) Holding Co., Ltd. (Note 3) | The Company | The parent company | 1,792,727 | - | - | | - | - |
| Giantplus Holding L.L.C. (Note 3) | The Company | The parent company | 674,972 | - | - | | - | - |

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Account receivables.

Note 3: Other account receivables.

Note 4: Other account receivables was excluded from calculation of turnover rate.

(ix) Trading in derivative instruments: None.

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for year 2023:

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

| Name of investor | Name of investee | Location | Main businesses and products | Original investment amount | | Balance as of December 31, 2023 | | | Net income (losses) of investee | Share of profits/ losses of investee | Note |
|-------------------------------------|-------------------------------------|----------|------------------------------|----------------------------|-------------------|---------------------------------|-------------------------|----------------|---------------------------------|--------------------------------------|---------------------|
| | | | | December 31, 2023 | December 31, 2022 | Shares | Percentage of ownership | Carrying value | | | |
| The Company | Giantplus (Samoa) Holding Co., Ltd. | Samoa | Investment activities | 1,397,086 | 1,397,086 | 44,000,000 | 100.00 % | 3,818,910 | 32,757 | 9,378 | Subsidiary (Note 1) |
| Giantplus (Samoa) Holding Co., Ltd. | Giantplus Holding L.L.C. | U.S.A | Investment activities | 1,397,086 | 1,397,086 | - | 100.00 % | 1,260,857 | (15,387) | (15,387) | Subsidiary |

Note 1: The difference is due to unrealized gain/loss.

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(c) Information on investment in mainland China

(i) The information on investment in Mainland China

(In Thousands of New Taiwan Dollars)

| Name of investee in Mainland China | Major operations | Issued capital | Method of investment (Note 1) | Accumulated outflow of investment from Taiwan as of at the beginning | Investment flows | | Accumulated outflow of investment from Taiwan as of at the end | Net income of the investee | Direct/indirect shareholding (%) by the Company | Investment income (Note 2(3)) | Carrying value | Accumulated remittance of earnings in current period |
|---|---|----------------|-------------------------------|--|------------------|--------|--|----------------------------|---|-------------------------------|----------------|--|
| | | | | | Outflow | Inflow | | | | | | |
| Kunshan Giantplus Optronics Display Tech Co., Ltd. (Note 6) | The assembly of liquid crystal displays and the production and sales of touch panel | 890,445 | (2) | 890,445 | - | - | 890,445 | (35,890) | 100.00% | (35,890) | 567,153 | - |

(ii) Limitation on investment in Mainland China:

| Accumulated investment in Mainland China at the end of the period (Note 7) | Investment amounts approved by Investment Commission, MOEA (Note 7) | Upper limit on investment (Note 3) |
|--|---|------------------------------------|
| 2,180,055 | 2,180,055 | 4,750,951 |

Note 1: Investments in Mainland China are differentiated by the following three methods:

1. Direct investment in Mainland China
2. Investment in Mainland China through a third region company
3. Other methods

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

1. If the corporation is in the set-up phase, no investment gain or loss recognition should be indicated.
2. Recognition basis of investment gains or losses is determined by the following three types:
 - (1) Financial statements of the investee company were audited and certified by an R.O.C. accounting firm which has cooperation with an international firm.
 - (2) Financial statements of the investee company were audited and certified by the CPA of the parent company.
 - (3) Others-financial statement reviewed by the CPA of parent company or complied by the parent company.

Note 3: The upper limit on investment was 60% of the total net worth based on "Principle of investment or Technical Cooperation in Mainland China".

Note 4: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate at the reporting day.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 6: Kunshan Giantplus Optronics Display Tech Co., Ltd. is the indirect investee of the Company.

Note 7: "Accumulated investment in Mainland China at the end of the period" and the "Investment amounts approved by Investment Commission, MOEA" included the original remittance of USD 30,000 thousand and USD 12,000 thousand, respectively. In April 2019 and January 2022, the Company disposed its investment, respectively. As of December 31, 2023, a total amount was USD42,000 in the equity of Kunshan Giantplus Optoelectronics Tech Co., Ltd. and Shenzhen Giantplus Optoelec Display Co., Ltd. which has not yet been remitted back to the Company.

(iii) Significant transactions:

In 2023, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

GIANTPLUS TECHNOLOGY CO., LTD.
Notes to Parent Company Only Financial Statements (Continued)

(d) Major shareholders:

| Shareholders' Name | Shareholding | Shares | Percentage |
|---|---------------------|---------------|-------------------|
| TOPPAN Holdings Inc. | | 152,981,757 | 34.64 % |
| Yuanta Commercial Bank Entrusted Custody of Investment Account- TOPPAN Holdings Inc. | | 81,500,000 | 18.45 % |

- (i) The information of major shareholders in this table was calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, based on the Company's common shares (including treasury stock) without physical registration for which the major shareholders own more than 5% of the total shares. The share capital in financial report may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.
- (ii) If a shareholder delivers its shares to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. As for the insider declaration for shareholding more than 10% of total shares in accordance with the Securities and Exchange Act, their shareholding shall include the shares held by themselves plus the shares that they have delivered to the trust and have the right to exercise decision-making power over the trust property. For more information, please refer to Market Observation Post System website.

(14) Segment information

Please refer to the consolidated financial statements.

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of cash and cash equivalents
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|----------------------------|---------------------------|---------------------|-------------|
| Cash on hand | | \$ 223 | |
| Checks and saving accounts | Saving accounts | 2,355,275 | Note |
| | Foreign currency deposits | | |
| | USD 58,820 thousand | | |
| | JPY 953,976 thousand | | |
| | HKD 119 thousand | | |
| | RMB 765 thousand | | |
| | EUR 66 thousand | | |
| | | \$ 2,355,498 | |

Note: Exchange rate, December 31, 2023

USD1=NTD30.705

JPY1=NTD0.217

HKD1=NTD3.929

RMB1=NTD4.335

EUR1=NTD33.980

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of account receivables
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

| <u>Client Name</u> | <u>Description</u> | <u>Amount</u> | <u>Note</u> |
|-------------------------------------|--------------------|----------------------------|-------------|
| Related parties: | | | |
| TOPPAN | Payment | \$ 120,277 | |
| Non-related parties: | | | |
| Company A | " | 105,226 | |
| Company F | " | 99,067 | |
| Company Z | " | 71,166 | |
| Others | " | 765,408 | Note |
| Subtotal | | 1,040,867 | |
| Less: allowance for impairment loss | | (76,841) | |
| Net amount | | 964,026 | |
| Total | | <u><u>\$ 1,084,303</u></u> | |

Note: The amount of individual client included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.
Statement of other receivables
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|---------------------------------------|--------------------|-------------------------|-------------|
| Related parties: | | | |
| Toppan Chunghwa Electronics Co., Ltd. | Advance payment | \$ 11,064 | |
| Giantplus (Samoa) Holding Co., Ltd. | Service fee | 4,445 | |
| Subtotal | | 15,509 | |
| Non-related parties | | | |
| Financial institutions | Others | 18,192 | |
| Company G | Advance payment | 13,071 | |
| Company H | Payment for molds | 6,996 | |
| Others | | 28,963 | Note |
| Subtotal | | 67,222 | |
| Total | | <u><u>\$ 82,731</u></u> | |

Note: The amount of individual client included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Amount | | Note |
|---|---------------------|-----------------------------|-------------|
| | Cost | Net realizable value | |
| Raw materials | \$ 969,828 | \$ 820,813 | |
| Work in process | 425,459 | 446,572 | |
| Finished goods | 388,507 | 384,503 | |
| Total | 1,783,794 | \$ 1,651,888 | |
| Less: allowance for inventory valuation and obsolescence losses | (230,716) | | |
| Net value | \$ 1,553,078 | | |

Statement of other current assets

| Item | Description | Amount | Note |
|--------------------|---------------------------------|-------------------|-------------|
| Temporary payments | Molding equipment | \$ 106,781 | |
| Prepaid expenses | Prepaid royalty and others etc. | 20,542 | |
| Supplies | Hardware parts etc. | 64,591 | |
| Others | | 247 | Note |
| | | \$ 192,161 | |

Note: The amount of each item included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of changes in investments accounted for using the equity method

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Name of Company | Balance, January 1, 2023 | | Additions | | Decrease | | Balance, December 31, 2023 | | | Market price or net asset (Note) | | Collateral | Note |
|-------------------------------------|--------------------------|---------------------|-----------|-------------|----------|-----------------|----------------------------|-----|---------------------|----------------------------------|---------------------|------------|------|
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | % | Amount | Unit price | Total amount | | |
| <u>Equity Method</u> | | | | | | | | | | | | | |
| Giantplus (Samoa) Holding Co., Ltd. | 44,000,000 | <u>\$ 3,826,524</u> | - | <u>\$ -</u> | - | <u>\$ 7,614</u> | 44,000,000 | - % | <u>\$ 3,818,910</u> | 87 | <u>\$ 3,832,074</u> | None | |

Note: When there is no open market price, the market price is determined by the net assets.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other non-current assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|-------------------------|--|-------------------|-------------|
| Guarantee deposits paid | Capacity reservation deposit and dormitory deposit | \$ 158,153 | |
| Others | | 1,490 | Note |
| | | \$ 159,643 | |

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of account payables

| Name of Client | Description | Amount | Note |
|-----------------------|--------------------|---------------------|-------------|
| Related parties: | | | |
| KGO | Payment | \$ 744,680 | |
| TOPPAN | " | 207,804 | |
| Others | " | 469 | Note |
| Subtotal | | 952,953 | |
| Non-related parties: | | | |
| Others | " | 1,128,014 | Note |
| Subtotal | | 1,128,014 | |
| Total | | \$ 2,080,967 | |

Note: The amount of each vendor included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|-------------------------------------|------------------------------------|----------------------------|-------------|
| Related parties: | | | |
| Giantplus (Samoa) Holding Co., Ltd. | Loans | \$ 1,792,727 | |
| Giantplus Holding L.L.C. | " | 674,972 | |
| Others | Purchase of masks and service fees | 27,857 | |
| Subtotal | | 2,495,556 | |
| Non-related parties: | | | |
| Other accrued expenses | Purchase of supplies and royalty | 524,628 | |
| Salaries payable | Salaries and bonuses | 249,039 | |
| Others | | 72,546 | Note |
| Subtotal | | 846,213 | |
| Total | | <u><u>\$ 3,341,769</u></u> | |

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of other current liabilities

| Item | Description | Amount | Note |
|---|--------------------|--------------------------|-------------|
| Advance sales receipts | | \$ 153,994 | |
| Provision for capacity reservation agreements | | 32,490 | |
| Refund liabilities | | 22,271 | |
| Receipts under custody | | 12,282 | |
| Others | | 11,461 | Note |
| | | <u><u>\$ 232,498</u></u> | |

Note: The amount of each item included in others does not exceed 5% of the account balance.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of long-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Creditor | Description | Amount | Term of contract | Rate | Collateral | Note |
|---------------------------------|--------------------|--------------------------|-------------------------|-------------|--------------------|-------------|
| Chang Hwa Commercial Bank, Ltd. | | \$ 796,720 | 2026.04.15~2027.04.10 | 1.80%~2.00% | Land and buildings | |
| Less: current portion | | (274,301) | | | | |
| Total | | <u><u>\$ 522,419</u></u> | | | | |

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of other non-current liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|----------------------------|---------------------|-------------------|-------------|
| Long-term account payables | Right of patent use | \$ 143,085 | |
| Guarantee deposit received | Guarantee deposit | 13,595 | |
| Others | | 320 | Note |
| | | \$ 157,000 | |

Note: The amount of each item included in others does not exceed 5% of the account balance.

Statement of operating revenue

For the year ended December 31, 2023

| Item | Quantity (thousand square foot) | Amount | Note |
|-------------|--|---------------------|-------------|
| Display | Note | \$ 9,026,940 | |

Note: Due to the diversity of products, it is difficult to categorize.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Amount | |
|-------------------------------------|-----------------|---------------------|
| | Subtotal | Total |
| Raw material, January 1 | \$ 939,560 | |
| Add: purchase | 3,773,241 | |
| Less: transferred to other expenses | (34,393) | |
| Sales of raw material | (168,372) | |
| Scrapped | (18,377) | |
| Raw material, December 31 | (969,828) | |
| Direct material | | \$ 3,521,831 |
| Direct labor | | 741,657 |
| Manufacturing overhead | | 3,733,637 |
| Cost of manufacturing | | 7,997,125 |
| Work in process, January 1 | | 334,903 |
| Less: sales of work in process | | (1,265,817) |
| Transferred to other expenses | | (662) |
| Scrapped | | (21,113) |
| Work in process, December 31 | | (425,459) |
| Cost of finished goods | | 6,618,977 |
| Finished goods, January 1 | | 566,908 |
| Less: transferred to other expenses | | 719 |
| Scrapped | | (1,693) |
| Finished goods, December 31 | | (388,507) |
| Cost of sales | | 6,796,404 |
| Add: Sales of raw material | | 168,372 |
| Sales of work in process | | 1,265,817 |
| Inventory scrapped loss | | 41,183 |
| Loss on inventory valuation | | 38,855 |
| Total operating costs | | \$ 8,310,631 |

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of selling expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|----------------------|--------------------|--------------------------|-------------|
| Salary expense | | \$ 73,857 | |
| Amortization expense | | 39,820 | |
| Freight fee | | 35,188 | |
| Commission expense | | 31,709 | |
| Others | | 23,208 | Note |
| | | <u><u>\$ 203,602</u></u> | |

Note: The amount of each item included in others does not exceed 5% of the account.

Statement of administrative expenses

| Item | Description | Amount | Note |
|----------------------|--------------------|--------------------------|-------------|
| Salary expenses | | \$ 124,296 | |
| Taxes | | 14,465 | |
| Depreciation expense | | 12,971 | |
| Others | | 87,470 | Note |
| | | <u><u>\$ 239,202</u></u> | |

Note: The amount of each item included in others does not exceed 5% of the account.

GIANTPLUS TECHNOLOGY CO., LTD.

Statement of research and development expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

| Item | Description | Amount | Note |
|---------------------------------------|---|--------------------------|-------------|
| Salary expenses | | \$ 108,518 | |
| Molding expense | | 17,290 | |
| Depreciation expense | | 16,764 | |
| Other expenses - material requisition | | 14,213 | |
| Insurance expenses | Labor and health insurance, group insurance and property insurance for plants | 10,347 | |
| Others | | 17,066 | Note |
| | | <u><u>\$ 184,198</u></u> | |

Note: The amount of each item included in others does not exceed 5% of the account.

Statement of changes in property, plant and equipment refer to Note 6(g).

Statement of changes in depreciation of property, plant and equipment refer to Note 6(g).

Statement of other income, other gains and losses and finance costs refer to Note 6(s).