

M-Power Information Co., Ltd.

2023 Annual Report

Date of publication: April 30, 2024

Company website: <https://www.mpinfo.com.tw/>

This annual report is available at: <http://mops.twse.com.tw>

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3. Name, address, website and telephone number of stock transfer agency

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Shareholder Services Department	
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4. Name of CPA and name, address, website and telephone number of the accounting firm for the financial report in the most recent year

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Name of accounting firm: KPMG	Website: www.kpmg.com.tw
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5. The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

6. Company website: <https://www.mpinfo.com.tw/>

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I. Letter to Shareholders

1. 2023 Business Report

The Company's 2023 audited operating income was NT \$1,598,779,000, and the net profit after tax was NT \$89,432,000. The detailed information is as follows:

(1) 2023 Business Plan Implementation Results:

In 2023, the Company's operating revenue, gross profit, and net operating profit were NT \$1,598,779,000, NT \$230,902,000, and NT \$115,514,000, respectively, and the growth rates were 8.26%, 4.64%, and -2.94%, respectively. The detailed information is as follows:

Unit: NT \$thousands

Item	FY22 Actual	FY23	
		Actual	Growth rate
Operating revenue	1,476,766	1,598,779	8.26%
Gross profit	220,662	230,902	4.64%
Profit From Operations	119,016	115,514	-2.94%
Earnings (loss) per share after tax (NT \$)	4.81	4.07	-15.38%

(2) Budget implementation:

The Company's actual operating figures and budget for 2023 are listed in the following table:

Unit: NT \$thousands

Item	FY23		Achievement rate
	Actual	Budget	
Operating revenue	1,598,779	1,392,339	14.83%
Operating costs	1,367,877	1,149,671	18.98%
Gross profit	230,902	242,668	-4.85%
Operating expenses	115,388	108,140	6.70%
Profit From Operations	115,514	134,528	-14.13%
Non-operating income (expense)-net	-3,488	-2,500	39.52%
Net profit after tax	89,432	105,622	-15.33%

(3) Financial analysis and comparison:

Comparison of financial analysis for 2022 and 2023:

Item		FY22	FY23
Finance Structure	Debt to asset ratio (%)	59.85%	61.73%
	Ratio of long-term capital to fixed assets (%)	22613.19%	45006.53%
Repayment Ability	Current ratio (%)	154.85%	149.28%
	Quick ratio (%)	104.18%	101.49%
	Interest protection multiples	18.53	17.09
Operation	Accounts receivable turnover (times)	3.46	2.66

Item		FY22	FY23
Ability	Accounts receivable days	105.49	137.21
	Inventory turnover (times)	6.59	3.92
	Payables turnover	4.70	3.04
	Average days for sale	55.38	93.11
	Fixed assets turnover (times)	595.23	944.90
	Total assets turnover (times)	1.68	1.30
Profit Ability	Return on total assets (%)	11.01%	7.70%
	Return on shareholders' equity (%)	24.35%	18.50%
	Ratio to paid-in capital (%)	52.01%	50.92%
	Profit ratio (%)	6.20%	5.59%
	Earnings per share (NT \$)	4.81	4.07

Unit: NT \$thousands

	Operating revenue	Gross profit	Profit From Operations	Net profit after tax	EPS (NT \$)
FY23	1,598,779	230,902	115,514	89,432	4.07
FY22	1,476,766	220,662	119,016	91,557	4.81
Year-on-year	8.26%	4.64%	-2.94%	-2.32%	-15.38%

(4) Research and development status:

Products	Research and Development
EZSO V2.0	<ul style="list-style-type: none"> • Provide a standalone solution for notes and financial statements: EZSO products are no longer attached to the Group's consolidated financial statement system (GCRS), and companies can choose to purchase EZSO products separately, and cooperate with EZPI to prepare financial statements.
CarbonKeeper Carbon Butler V2.2	<ul style="list-style-type: none"> • Provide domestic and foreign carbon inventory emission coefficient database. • It supports three activity data provision methods, including screen input, EXCEL file access, and automatic transmission interfaces. • Support the significance assessment function. • Support data accuracy and data quality computing. • Provide convenient functions for the storage and use of supporting drawings. • Support the production and production functions of inventory reports. • Provided activity data unit conversion mechanism. • Optimize various interfaces to reduce the frequency of mouse and keyboard use during operation and lower the learning threshold.

2. 2024 Business Plan

(1) Business policy for the year:

From the war between Russia and Ukraine to the conflict in Pakistan, in response to the current geopolitical situation, many owners in the manufacturing industry have been asked by the ordering manufacturers to evaluate the company's manufacturing production and related systems to be placed in the overseas cloud environment. The Company has evaluated and introduced cloud relocation software to assist customers in transferring systems many years ago. In view of customers' security concerns, many companies are worried about the model of public cloud sharing Internet and resources. Even if Gartner's research shows that the data processing model of public cloud is at least 60% safer than the traditional data center, many enterprise users with very sensitive internal data still cannot safely deploy the public cloud strategy. It is not only due to the security of customer data, but also in order to comply with government regulations. The Company provides customers with fast private cloud construction software and services, which can meet customers' demand for the cloud-based software environment, but also avoid the above-mentioned information security concerns.

In terms of information security, in response to the revision of ISO 27001, this version requires customers to complete construction before 2026. This revision will affect most manufacturers who have been certified to ISO 27001. The Company provides Table of Contents service security access protection solutions. In recent years, due to the frequent occurrence of hacker attacks and the internal destruction of the enterprise by ransomware, the operation and operation of the system are affected. Table of Contents service is in charge of corporate accounts and important places of resources, so it provides AD backup restoration, security access, audit protection and account inventory and other protection measures to comply with the international ISO27001 information security management system standards, and assist customers in introducing relevant solutions.

In terms of full-stack monitoring platform, in response to the increasingly complex system structure, through the analysis of data on the monitoring platform, the most complete deployment application and system performance improvement to reduce resource waste, and achieve performance optimization and uninterrupted services with limited information resources.

With the diversification of customer types, transnational transformation, and globalization, the maintenance and operation of databases and application servers, and cloud operations are becoming more and more complex and diverse. We continue to provide complete and comprehensive databases, application servers, and multi-cloud integration professional services. Exclusive consultants provide 7 * 24 or 5 * 8 annual technical consultation, regular health check, and various database and application server professional services to meet the maintenance and operation needs of various complex and diversified databases, and ensure the high-performance operation of enterprise databases, application servers, and the cloud environment.

In November 2019, the TWSE and TPEX sent a letter to each listed and OTC company to strengthen corporate governance, reiterate that the preparation of

financial statements is the responsibility of the company's management, and the competent authority will review the preparation of financial statements of all companies in five years, which will enter the fifth year of this year; In addition, on August 25, 2020, the Financial Supervisory Commission released the "Corporate Governance 3.0-Sustainable Development Blueprint", in which the financial information disclosure part requires all listed and OTC companies to announce their self-closing financial information 75 days after the end of the year, and companies will definitely accelerate the response to relevant regulatory requirements. The Company has complete solutions and consulting service capabilities to help listed companies implement the governance mechanism required by the competent authority, and achieve the Company's goal of preparing financial statements by itself. Therefore, it is important business policy to continue to increase market share and product profitability by strengthening the diversity of solutions, expanding market marketing capabilities, and participating in relevant activities of the competent authority and public associations.

In line with the government's promotion of achieving the goal of net zero carbon emissions by 2050, the Financial Supervisory Commission officially launched the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" in 2022. In March 2023, the "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" was released; In August 2023, the "Blueprint for IFRS-compliant Sustainable Disclosure in Taiwan" was officially released. Require all listed companies to promote in stages according to the amount of paid-in capital of the enterprise since 2023; Before 2027, all listed and OTC companies must complete the greenhouse gas inventory and be consistent with the scope of the financial statements, and complete the verification of the greenhouse gas inventory by 2029; Major companies around the world have successively released net-zero emissions by 2030, and require cooperation with supply chain-related manufacturers. In order to assist enterprises in response to greenhouse gas inventory operations, the Company has developed its own carbon management platform: Carbon Butler CarbonKeeper, which has been used by many enterprises since its advent in 2023. In addition to supporting ISO14064-1 and GHG Protocol reporting standards, it produces greenhouse gas inventory and reports, and can also respond to the needs of the Group and a single enterprise for multiple reporting purposes such as the Ministry of Environment, the Financial Supervisory Commission or the supply chain, so as to help various industries to comply with the requirements of legal compliance and supply chain stakeholders to achieve net zero carbon emissions. This year, the expansion of marketing and sales on the basis of existing sales will be the focus of this year.

(2) Expected sales volume and its basis:

The Company acts as an agent for many Items, and the price varies greatly. The customized services for customers in specific industries need to have different quotations according to the needs of customers.

The proprietary financial report solution is priced based on the number of consolidated standard-alone of the customer, but in the past, only medium-sized group enterprise customers with a large number of consolidated standard-alone

Since the beginning of this year, we have not only expanded our goal to merge with small group enterprise customers with fewer standard-alone, but also extended our business to listed, OTC, emerging stock, and public offering enterprises without subsidiaries. We hope to promote the independent versions of EZSO and EZPI to increase our revenue figures and expand our market share.

The carbon management solutions are priced based on the number of sites of customers, but based on market feedback, the size of the customer's company and the number of sites may not be a positive relationship. In addition, customers will determine the number of user accounts required based on actual needs, which is not related to the size of the company and the number of fields. In view of this, the pricing method of carbon management solutions will be based on customer needs to quote products. As such, quotation can not only be used to closely meet the actual needs of customers, but also create market segmentation. At the same time, it can also extend its marketing reach to more customer groups of different market scales, so as to increase sales opportunities.

(3) Important production and marketing policies:

Digital Transformation Solutions:

- A. In response to geopolitical problems, provide the migration of existing customers' application systems to the public cloud environment planning and construction.
- B. In response to the requirements of the new version of ISO27001, we will strengthen the agency of information security-related solutions.
- C. Provide a full-stack monitoring platform for the system architecture, activate all information equipment and make effective applications to avoid waste caused by unlimited hardware investment, and cannot achieve energy saving and carbon reduction.
- D. The popularity of cloud applications and the huge and frequent changes of unit organizational personnel have caused complex account management. The information security solution is based on personal account management and then the host privilege, providing management, hierarchical authorization, transfer, disaster recovery and zero trust solutions. Strengthening container product services and product introduction as the basis of traditional application systems to cloud, and assisting customers in digital transformation.

ESG Transformation Solutions:

the Financial Supervisory Commission released the "Corporate Governance 3.0-Sustainable Development Blueprint" in 2020 and the "Sustainable Development Roadmap" in 2022, which respectively proposed that all listed companies must "announce their self-assessed financial information for the previous year within 75 days after the end of the year from 2024", as well as two requirements, namely "complete greenhouse gas inventory and consistent with the scope of financial statements before 2027". The "financial reporting solutions" and "carbon butler CarbonKeeper" developed by the Company can assist enterprises to efficiently complete the above two competent authorities' requirements. The Company's production and sales strategies for these two products are as follows:

A. CarbonKeeper

- (A) Continue to expand the research and development of product functions, not only to meet the system functions of ISO14064-1 and GHG Protocol standards, but also have the function of carbon reduction target management. In addition, we will also strive to obtain Auditors' Report approval issued by international verification agencies to gain customers' trust in product functions.
- (B) Improve product awareness by winning the 2023 ASOCIO Digital Summit ICT ESG Award.
- (C) The products are mainly sold in SaaS cloud leasing, supplemented by the sales method of on-site leasing, with this diversified product sales model to meet the needs of different customer groups, and can reduce the threshold for enterprises to use and increase the adhesion of enterprises to use.
- (D) Establish a sustainable mobile ecosystem and cooperate with a number of companies that provide ESG solutions or services, including strategic partners that provide carbon management professional consulting services, third-party verification/assurance services, high-efficiency energy conservation, high-efficiency energy storage, etc., in order to provide enterprises with a full range of solutions and services, and expand product visibility and increase product sales opportunities through strategic partners.
- (E) Collaborate with banks to provide low-carbon project loan projects, and provide low-interest loans and interest subsidy programs for small and medium-sized enterprises to help them enter the low-carbon transformation.

B. Financial statement solution

- (A) Develop a standalone system for notes and financial statements, so that EZSO can no longer be attached to the GCRS Group's consolidated statement system. For the group or non-group enterprises that only need to collect notes and financial statements, they can purchase products based on their own needs for system functions to expand the system's user group.
- (B) Provide the AI translation platform function, in addition to the financial report solution to produce the Chinese financial report content, enterprises can also use the AI translation platform function to produce faster and higher quality English financial report content.
- (C) Continue to deepen the cooperation with accounting firms and ERP information manufacturers, so that the customer base is more diversified and drives sales opportunities, and cultivate consulting companies with product introduction capabilities to expand product and service aspects and capabilities.
- (D) The Company continues to systematically organize the annual CFO Association to strengthen in-depth communication with companies that use it, and will also regularly organize seminars to increase product exposure.

3. Future development strategy of the Company

The spread of the Covid-19 epidemic around the world began at the end of 2019, and it should have a gradual decline in the impact on human life and economic activities by the end of 2023, even it can be ignored the impact of Covid-19. However, some wars between countries and countries or regions are still ongoing. In addition, the geopolitical impact war between the two major countries, the United States and China has expanded and derived the chain effect of technology war and global supply chain disruption and restructuring. In addition, the ESG sustainability issues to protect the earth and maintain a permanent, fair, and safe living environment for human beings are being promoted in full swing around the world, and it affects the changes in the competitiveness of enterprises in the industry. The occurrence of the above-mentioned related events has also contributed to the rapid and substantial increase in consumer inflation and bank loan interests. This global major event is affecting the results of business operations and future development.

In order to establish sustainable competitiveness of the enterprise, the enterprise can help the enterprise to solve the dependence on human resources and improve operational performance through digital products through digital optimization and further digital transformation, and even develop new business models to increase revenue and profit for the enterprise and establish sustainable competitiveness of the enterprise. The company's mission is to "enhance long-term and reliable competitiveness for customers". Therefore, the company's four development strategies in the future are as follows:

- A. Continue to distribute and distribute more diversified application software in public and private cloud, big data database processing and application, system performance monitoring and adjustment, information security and AI applications, assist enterprise customers to effectively use digital optimization strategies to improve the efficiency of operational management, and strengthen the data and technology integration of related software products, and provide customers with high value-added professional services in the near future to achieve the goal of digital transformation of enterprise customers.
- B. In order to assist corporate customers to achieve net zero emissions efficiently and move towards the goal of sustainable development of ESG, in addition to the existing development completed, the Company has also established a customer group organization carbon inventory software-Carbon Butler CarbonKeeper products in large financial holding companies and listed companies. We will continue to deepen the research and development of software for calculating carbon footprint and ESG-related software in response to international sustainability standards, to help companies establish carbon management and carbon reduction methods in the most efficient way, and to respond to international, competent authorities and industrial supply chain sustainable information processing and disclosure issues, to assist corporate customers in establishing sustainable competitiveness.
- C. Two major software products developed by the Company
 - (A) The software products of the Group's consolidated financial statements and financial report are in compliance with the International International Financial Reporting Standards (IFRS), and more than 100 countries around the world require or permit the preparation of financial statements in accordance

with IFRS.

(B) The organization of carbon inventory software-CarbonKeeper and carbon footprint software products are in line with the international standards of ISO14064-1 and GHG Protocol. At present, the world has announced that it has been working together as a net zero effort country with more than 150 countries.

After establishing a large number of good customer experience cases in Taiwan, it will plan and expand the development of international markets in mainland China and Southeast Asia from 2024.

D. In order to provide customers with more digital transformation solutions and ESG professional services, the Company will establish business expansion cooperation with partners from multiple professions and industries, and form an ESG sustainable mobile ecosystem to provide customers with a one-stop service business model of digital transformation and ESG transformation.

4. Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

Even though 2023 continues to be affected by excess inventory, inflation and geopolitical wars among companies, the net zero commitment to climate change is also unavoidable. International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB), published the official version of International Sustainability Standards Bulletin S1 and S2 for the first time on June 26, 2023. It requires companies to disclose risks and opportunities in response to sustainability and climate change and to disclose information on their short, medium and long-term financial impacts.

On August 17, 2023, the Financial Supervisory Commission also released the blueprint for aligning with International Financial Reporting Standards (IFRS) disclosure standards in Taiwan, and all listed companies will apply it in stages from 2026. At the same time, in addition to the disclosure of sustainable information in the financial statements in accordance with the standards of S1 and S2, the annual report of the shareholders' meeting must also be announced and disclosed at the same time.

In terms of environmental issues (E), the Company has launched the carbon management solution of "Carbon Butler (Carbon CarenKeeper)" to assist enterprises in responding to the current carbon inventory work, and the Company continues to develop products that are also of great concern to customers. The Company will continue to assist enterprises in using digital tools for digital transformation. In addition, the Company's "Financial Report Solution" on governance (G) issues helps companies disclose financial report information in a timely manner. Relevant complete digital products provide customers with the development of implementing policies, and are optimistic about the company's subsequent business development.

Under the overall operating environment, this year is a good opportunity for the stable growth of the Company. Under the guidance and supervision of the Board of Directors and the support and care of all shareholders, all our colleagues will continue to improve the R & D of new products and technology upgrades, provide customers

with the most valuable services with a professional attitude, and work together to create maximum benefits for shareholders.

Finally, I would like to thank all shareholders for your continuous support and care for the Company. We wish you all good health and all the best.

Chairman: Chin-Lung, Hsu
managerial officers: Chin-Lung, Hsu
Accounting Supervisor: Yu-Chi, Wang

II. Company Profile

1. Date of establishment

September 10, 1999

2. Company History

Year	Major Events
1999	<ul style="list-style-type: none"> ● Power Information Service Co., Ltd. was established on September 10. It operates Item for the information software industry and leasing industry, etc., and the paid-in capital is NT \$14,000,000. It is created with the vision of "intensive cultivation of technology and professional services". ● Oct. The cash capital increase was NT \$6,000,000, and the paid-in capital increased to NT \$20,000,000. ● Acquired general agency rights for Sybase PowerBuilder series products.
2000	<ul style="list-style-type: none"> ● Jul. The cash capital increase was NT \$28,773,000, and the surplus and bonus (dividend) were transferred to capital increase was NT \$1,227,000, and the paid-in capital increased to NT \$50,000,000. ● Cooperated with the Department of Business Administration, Southern Taiwan University of Science and Technology in teaching and education, and was awarded the highest honor of Chiahui Sangzi.
2001	<ul style="list-style-type: none"> ● June The Company increased its paid-in capital out of earnings and dividends for NT \$4,800,000; the paid-in-capital increased to NT \$54,800,000. ● Acquired the sole distributor rights of Leccotech, a leading global performance adjustment solution provider in Taiwan. ● Launched proprietary product PowerTiers (PowerBuilder version) to accelerate the productivity of PowerBuilder program development.
2002	<ul style="list-style-type: none"> ● Launched Taiwan's first self-developed J2EE development solution, PowerTiers2. 0 (version of J2EE).
2003	<ul style="list-style-type: none"> ● Distribute Novell Nsure series products, eDirectory, to provide enterprises with Portal establishment and introduction overall services. ● Acquired the distribution rights of Software AG's Tamino, and gave priority to the provision of XML technology and solutions.
2004	<ul style="list-style-type: none"> ● Launched Taiwan's first electronic ordering solution based on J2EE component development technology. ● Launched EXB2 bill/bond financing solution. ● Officially distributed Novalys Visual Expert. ● Officially distributed the Sunopsis data integration tool.
2005	<ul style="list-style-type: none"> ● Officially distributed all A products.
2006	<ul style="list-style-type: none"> ● Officially distributed Quest Software products.
2007	<ul style="list-style-type: none"> ● Official launch of the self-developed product M-Power Report version 3.2.

Year	Major Events
2008	<ul style="list-style-type: none"> ● Became Oracle Fusion Middleware distributor. ● Officially distributed the entire series of AmberPoint products. ● Officially became the head agent of Quest Software in Taiwan.
2009	<ul style="list-style-type: none"> ● Received Sybase Asia Pacific Best Modeling & Development Reseller.
2010	<ul style="list-style-type: none"> ● Develop a GCRS solution for consolidated financial statements. ● Cooperate with Qingyun University to carry out the off-campus internship program for students, promote industry-university cooperation and implement vocational education.
2011	<ul style="list-style-type: none"> ● Cooperate with the Normal University to carry out the student off-campus internship program, promote industry-academia cooperation and implement vocational education.
2014	<ul style="list-style-type: none"> ● Awarded SAP's 2014 Database Best Agent.
2015	<ul style="list-style-type: none"> ● Awarded Oracle's 2015 Middleware Best Agent.
2016	<ul style="list-style-type: none"> ● Jan. The cash capital increase was NT \$18,200,000; the paid-in-capital increased to NT \$73,000,000. ● Ranked 8th in the TOP 5000 computer software service industry by China Credit Information Service. ● Awarded Quest's 2016 Most Loyalty Partner.
2017	<ul style="list-style-type: none"> ● The "GCRS Group Consolidated Report System" broke through the phased goal and established the 100th listed company customer.
2018	<ul style="list-style-type: none"> ● September The surplus and bonus (dividend) were transferred to capital for NT \$7,000,000; the paid-in-capital increased to NT \$80,000,000. ● Won the Quest 2018 Partner of the Year and Best Support to Foglight. ● Received Oracle's 2018 Partner of the Year-Cloud Platform.
2019	<ul style="list-style-type: none"> ● September The surplus and bonus (dividend) were transferred to capital for NT \$12,000,000; the paid-in-capital increased to NT \$92,000,000. ● Officially distributed Rancher products. ● Officially distributed Instana products. ● "GCRS Group Consolidated Statement System" won the World Organization WITSA 2019 Global ICT Excellence Digital Innovation Award. ● The Company held the first "CFO Association," in which nearly 100 CFO joined the event to establish a channel for the exchange and interaction of CFO. ● Donated GCRS Group Consolidated Report System to Department of Accounting, Tamkang University and Department of Accounting, Tunghai University.
2020	<ul style="list-style-type: none"> ● September The surplus and bonus (dividend) were transferred to capital for NT \$8,000,000; the paid-in-capital increased to NT \$100,000,000. ● Officially distributed Bigstack hyper-converged cloud computing platform. ● The "GCRS Group Consolidated Report System" established the

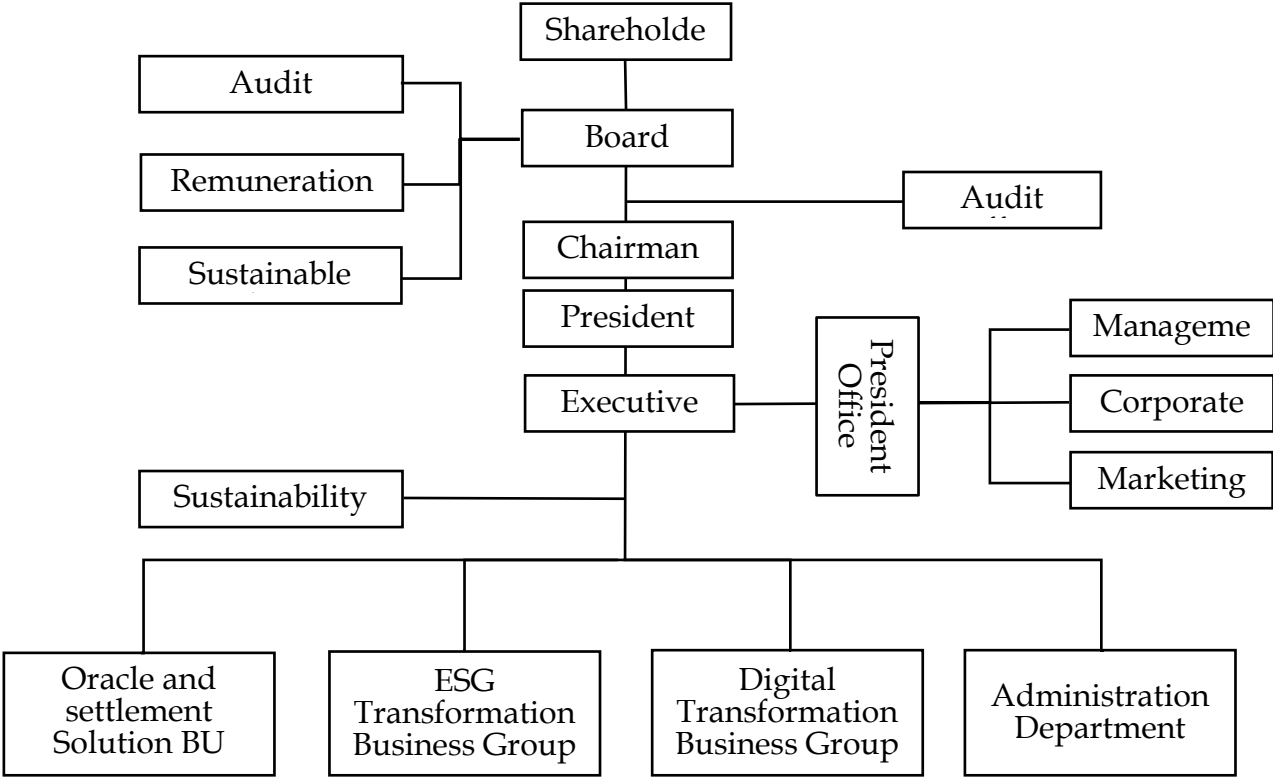
Year	Major Events
	<p>180th listed company customer.</p> <ul style="list-style-type: none"> ● The Company held the 2nd “CFO Gathering” with more than 100 CFO participants to establish a comprehensive ecosystem of CFO resources. ● Launched a financial report typesetting solution (EZPI).
2021	<ul style="list-style-type: none"> ● September The surplus and bonus (dividend) were transferred to capital for NT \$20,000,000; the paid-in-capital increased to NT \$120,000,000. ● October The capital increased by NT \$20,000,000 in cash and NT \$5,000,000 in employee stock options; the paid-in-capital increased to NT \$145,000,000. ● Obtained 2021 Oracle Oracle Cloud VMware Solution and Oracle Cloud Platform Data Management PartnerNetwork certification in Taiwan and Hong Kong. ● Ranked 10th in the TOP 5000 computer software service industry by China Credit Information Service. ● Presented a financial report collection solution (EZSO). ● The Bank completed public offering on December 10 and registered on the emerging stock market strategy board on December 22.
2022	<ul style="list-style-type: none"> ● May: Transformed from the emerging stock strategic board to the emerging stock board general board. ● The "GCRS Group Consolidated Report System" broke through the phased goal and established nearly 250 listed company customers as of the end of September. ● Ranked 6th in the TOP 5000 computer software service industry by China Credit Information Service. ● Passed ISO27001 information security certification. ● Won the 2021 Outstanding Supplier A Evaluation from Yuanta Financial Holdings. ● Oct. The company carried out a surplus to capital increase of NT \$43,500,000, and the paid-in capital increased to NT \$188,500,000. ● Awarded the 2022 Digital Transformation Model Award by the Electrical and Electronics Industry Association. ● December: Transfer of registration from the Emerging Stock Board to Over-the-Counter Stock.
2023	<ul style="list-style-type: none"> ● Capital increased by cash of NT \$31,500,000 before OTC, and the paid-in capital increased to NT \$220,000,000 in January. ● Launched the ESG net-zero carbon emission solution (CarbonKeeper carbon butler) ● GCRS Group consolidated reporting system established 300 listed company customers ● Donated GCRS Group Consolidated Reporting System to Department of Accounting, National Cheng Kung University. ● Donated the GCRS Group Consolidated Report System to the Business School of Soochow University.

Year	Major Events
	<ul style="list-style-type: none"> ● Ranked 4th in the TOP 5000 computer software service industry by China Credit Information Service Ltd. ● CarbonKeeper won the ESG award of the World ASOCIO DIGITAL SUMMIT 2023 Software Competition. ● Received the 2023 Golden Space Award for Dual-axis Transformation MVP from the ESG World Citizens Digital Governance Foundation.
2024	<ul style="list-style-type: none"> ● Won the Quest Best Agent in Greater China 2024

III. Corporate Governance Report

1. Organization

(1) Organizational structure of the Company



(2) Business operations of major departments

Department	Functions
Board meeting	Execute the shareholder's meeting Resolution, implement the company's business policy and formulate operational goals within the scope of the shareholder's meeting authorization, and appoint the company's main managerial officers to implement and promote the company's business.
Audit Committee	<ol style="list-style-type: none"> 1. Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act 2. Evaluation of the effectiveness of the internal control system. 3. Adoption or amendment, pursuant to Article thirty-six-1 of 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. 4. Matters in which a director is an interested party. 5. A material asset or derivatives transaction, loaning of funds, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring or dismissal of a certified public accountant, or their compensation.

Department	Functions
	<ol style="list-style-type: none"> 8. The appointment or discharge of a financial, accounting, or internal auditing officer. 9. Review financial reports.
Remuneration Committee	<ol style="list-style-type: none"> 1. Periodically reviewing this Charter and making recommendations for amendments. 2. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors and managerial officers. 3. Periodically assessing the degree to which performance goals for the directors of the Company and managerial officers have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.
Sustainable Development Committee	<ol style="list-style-type: none"> 1. Formulate the Company's sustainable development policies, objectives, strategies and implementation plans, and supervise the implementation of the risk management system to ensure the effective operation of the risk management mechanism. 2. Review of the implementation and effectiveness of the Company's sustainable development, and revision of strategic goals and related regulations and systems.
Audit Office	<ol style="list-style-type: none"> 1. Responsible for various auditing operations of the Company and the evaluation and implementation of the Company's internal control. 2. Propose recommendations for improvement, and require improvements to be made to track and correct deficiencies.
President Office	<ol style="list-style-type: none"> 1. Formulate the company's operating policies, objectives and implement the implementation management system. 2. Execute the Board's Resolution and report the operating results to the Board. 3. Organize or participate in exchange activities, courses and implement relevant marketing plans to extend the customer base.
Sustainable promotion Committee	<p>Plan and promote various ESG policies, systems and plans, and review their implementation effectiveness and continuous improvement.</p>
Administration Department	<ol style="list-style-type: none"> 1. Planning and execution of corporate strategy, operation management and capital management. 2. Dispatch of working capital. 3. Audit and prepare accounting statements, and cost accounting and control. 4. Preparation and analysis of annual budget data and financial statements. 5. Handle legal affairs and stock affairs. 6. Planning, evaluation and attendance management of human resources.

Department	Functions
Oracle and settlement Solution BU	<ol style="list-style-type: none"> 1. Provide Java, Oracle database and related distribution product tools construction, maintenance, functional improvement and value-added technical services. 2. Sales and distribution of cloud application solutions. 3. Inter-departmental coordination to facilitate business development. 4. Maintain customer relationships and deepen customer needs.
ESG Transformation Business Group	<ol style="list-style-type: none"> 1. In accordance with the Company's development strategy, combined with internal and external R & D resources, research and develop software products for ESG-related applications, develop key and innovative technologies for medium and long-term development, and provide relevant education and training services. 2. Development and execution of proprietary product business. 3. Inter-departmental communication and coordination to help customers carry out ESG transformation efficiently and smoothly. 4. Maintain customer relationships and deepen customer needs.
Digital Transformation Business Group	<ol style="list-style-type: none"> 1. Provide the establishment, maintenance, functional improvement, value-added and other technical services of related databases and agency distribution products. 2. Provide system maintenance and operation with full performance monitoring Product sales and distribution business expand multiple channels and implementation. 3. Provide information security solution sales and distribution business Expand multiple channels and implementation. 4. Inter-departmental communication and coordination to help customers carry out digital transformation efficiently and smoothly. 5. Maintain customer relationships and deepen customer needs.
Management Information Department	Responsible for the development of internal information systems, management and maintenance of internal networks, and consultation and handling of related internal IT and ERP requirements.

2. Background information of directors, president, vice presidents, Assistant Vice President and heads of various departments and branches

(1) Directors

A. Information on Directors

April 1, 2024 Unit: thousand shares; Percentage%

Job Title	Nationality or Place of Registration	Name Gender	Gender Age	Election (appointment) Date	Appointed Term	Date First Elected	When Elected Shares Held		Current Shares Held		Shares Currently Held by Spouse & Minors		Shareholding by Nominee Arrangement		Major (academic degree) experience	Current position with the Company Other position held with the Company	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
Chairman	ROC	Chin-Lung, Hsu	Male 51 ~ 60 years old	2022.01.24	3 Year	1999.09.06	859,925	5.93%	1,030,710	4.69%	0	0%	0	0%	<ul style="list-style-type: none"> ● EMBA, National Taiwan University ● Master of Computer Engineering, Cornell University ● Master of Mechanical Engineering, Chiao-Kang University, U.S.A. ● Technical Director, First International Computer, Inc. ● Senior Business Manager of Spark Corporation 	<ul style="list-style-type: none"> ● General Manager, M-Power Information Co., Ltd. ● Chairman of Wei Gu Co., Ltd. 	—	—	—	Note
Director	ROC	Nai-Jen, Cheng	Female 51 ~ 60 years old	2022.01.24	3 Year	2022.01.24	169,385	1.17%	129,000	0.58%	0	0%	86,000	0.39%	<ul style="list-style-type: none"> ● Department of Accounting, Tamkang University ● Deputy Team Leader, Ernst & Young, Taiwan 	<ul style="list-style-type: none"> ● M-Power Information Co., Ltd. Deputy General Manager, Administration Department 	—	—	—	
Director	ROC	Ares International Corp.	—	2022.01.24	3 Year	1999.10.04	2,243,445	15.47%	3,843,015	17.47%	0	0%	0	0%	—	—	—	—	—	—
	ROC	representative: Hsiung-Jung, Sung	Male 61-70 years old				40,416	0.28%	52,540	0.24%	0	0%	0	0%	<ul style="list-style-type: none"> ● Department of Applied Mathematics, Chinese Culture University ● Master of Information Management, National Taiwan University 	<ul style="list-style-type: none"> ● Vice President, Ares International Corp. ● Director of Aika Software (Suzhou) Co., Ltd. ● Director, Mai Sen Technology Co., Ltd. 	—	—	—	
Director	ROC	Ares International Corp.	—	2022.01.24	3 Year	1999.10.04	2,243,445	15.47%	3,843,015	17.47%	0	0%	0	0%	—	—	—	—	—	—

Job Title	Nationality or Place of Registration	Name Gender	Gender Age	Election (appointment) Date	Appointed Term	Date First Elected	When Elected Shares Held		Current Shares Held		Shares Currently Held by Spouse & Minors		Shareholding by Nominee Arrangement		Major (academic degree) experience	Current position with the Company Other position held with the Company	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
	ROC	representative: Chin-Wei, Yu	Female 41-50 years old			2022.01.24	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> ● Bachelor of Department of Foreign Languages and Literature, National Taiwan University ● Master of Arts in Comparative Studies, University of Warwick, UK 	<ul style="list-style-type: none"> ● Vice President, Ares International Corp. ● Supervisor of Aika Software (Suzhou) Co., Ltd. 	-	-	-	
Independent Director	ROC	Hung-Hsun, Ting	Male 61-70 years old	2022.01.24	3 Year	2022.01.24	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> ● Bachelor of Accounting, Chinese Culture University ● Supervisor of Emerging Display Technologies Corp. ● Independent Director of Applied Nano Medical Technology Co., Ltd. ● Partner Accountant, Zheng Feng United Accounting Firm 	<ul style="list-style-type: none"> ● Accountant, Chien-Cheng Accounting Firm ● Independent Director, CyberTAN Technology Inc. ● Director, Xinxun Technology Co., Ltd. ● Independent Director of ShunSin Technology Holdings Limited 	-	-	-	
Independent Director	ROC	An-Tso, Chang	Male 51 ~ 60 years old	2022.01.24	3 Year	2022.01.24	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> ● Master of International Business Administration, National Taiwan University ● BenQ Medical Technology Corporation Director and Supervisor ● President, BenQ Asia Pacific Corp. ● Vice President, Qisda Corporation ● President of BenQ Materials Corporation ● Adjunct Associate Professor, Shih Chien University ● Adjunct Associate Professor, National Yang Ming University 	<ul style="list-style-type: none"> ● Adjunct Associate Professor, Department of Cultural and Creative Industry Management, National Taipei University of Education ● Independent Director, Tai Chin Investment Holding Co., Ltd. ● Independent Director, Pacific Hospital Corporation ● Director of Yoyo Data Application Co., Ltd. ● Director of Direct Relationship with Nong Mai Co., Ltd. 	-	-	-	

Job Title	Nationality or Place of Registration	Name Gender	Gender Age	Election (appointment) Date	Appointed Term	Date First Elected	When Elected Shares Held		Current Shares Held		Shares Currently Held by Spouse & Minors		Shareholding by Nominee Arrangement		Major (academic degree) experience	Current position with the Company Other position held with the Company	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remark
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Shares	Shareholding Ratio	Job Title	
Independent Director	ROC	Dwen-Ren, Tsai	Male 71-80 years old	2022.01.24	3 Year	2022.01.24	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> ● Ph.D. in Computer Science, City University of New York, USA ● Master, Department of Information Management, Chinese Culture University ● Director of Mobile Business and Information Security Group and Digital Convergent and Technology Governance Group 	<ul style="list-style-type: none"> ● Associate Professor, Department of Information Management and Department of Information Engineering, Chinese Culture University ● Member of the National Standards Review Committee and the National Standards Technical Committee for Information and Communication of the Bureau of Standards, Metrology and Inspection Ministry of Economic Affairs 	—	—	—	

Note: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest managerial officers) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directors, keeping more than half of the directors not concurrently serving as employees, or managerial officers): The Company's chairperson of the board of directors also serves as the general manager to improve operating efficiency and decision-making execution. However, the chairperson of the board of directors fully communicates with directors on a daily basis in terms of the Company's operating conditions and plans and policies in order to implement corporate governance and further enhance the functions of the board of directors and strengthen supervision. The Company has taken the following countermeasures: (1) The Company has completed the establishment of independent directors, (2) The Company has arranged professional courses for each director to enhance the effectiveness of the Board of Directors, and (3) More than half of the members of the Board of Directors of the Company are not concurrently employees or employees.

B. Major Shareholders of Institutional Shareholders

April 21, 2024

Name of corporate shareholder	Major Shareholders of Institutional Shareholders	Shareholding ratio
Ares International Corp.	Hung-Yang Yu	7.53%
	MITAC Inc.	2.12%
	Sheng-Yi Lin	1.84%
	He Xiaoqian	1.53%
	Hsieh	1.18%
	HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted with the custody of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. -three-party SBL trading investment account of the proprietary platform of the securities trading unit	1.07%
	Chin-Wei, Yu	0.99%
	Hsiung-Jung, Sung	0.98%
	Ching-Lung Lin	0.95%
	Michael Tseng	0.91%

Note: The names of major shareholders of corporate shareholders (whose shareholding ratio accounts for the top ten) and their shareholding ratio.

C. Major shareholders of the Company's major institutional shareholders

April 21, 2024

Name of corporate shareholder	Major Shareholders of Institutional Shareholders	Shareholding ratio
MITAC Inc. Corporation	Lien Hwa Industrial Holdings Corp.	35.29%
	Synnex Technology International Corporation	18.39%
	Mei An Investment Co., Ltd.	10.56%
	MITAC International Corp.	8.71%
	Tsu Feng Investment Co., Ltd.	5.37%
	Ai-Chen Hsu	1.98%
	Hua Cheng Investment Co., Ltd.	1.92%
	Miau, Matthew Feng-Chiang	1.08%
	Yi Feng Investment Co., Ltd.	0.75%
	Hong Ding Investment Co., Ltd.	0.74%

Note: The names of major shareholders of corporate shareholders (whose shareholding ratio accounts for the top ten) and their shareholding ratio.

D. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Conditions Name Gender	Professional Qualifications and Experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chin-Lung, Hsu	Chairman and President of the Company; EMBA, International Business Management, National Taiwan University; M.S., Computer Engineering, Cornell University; M.S., Mechanical Engineering, Chiao Kong University; previously Technical Director of First International Computer Co., Ltd.; Senior Business Manager of Sabah International Inc.; Have more than 30 years of work experience in business and corporate business; have professional leadership, marketing, operation management and strategic planning capabilities; In 2023, the Company won the 46th Entrepreneur of the Year Award, leading the Company to become a pioneer in industry leadership and sustainable management.	1. President of the Company, managerial officers 2. Top 10 shareholders of natural person 3. Corporate shareholder holding more than 5% of the issued shares of the Company: Chairman of Wei Gu Co., Ltd.. 4. The rest meet the independence criteria listed in Article 3, Paragraph 1 of the Financial Supervisory Commission "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Nai-Jen, Cheng	Director and Vice President of Administration Management Department of the Company, graduated from the Department of Accounting, Tamkang University, and served as the deputy head of Ernst & Young, Taiwan. He has more than 20 years of experience and expertise in finance, accounting and corporate business.	1. Vice President of the Company, managerial officers 2. The rest meet the independence criteria listed in Article 3, Paragraph 1 of the Financial Supervisory Commission "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Ares International Corp. Representative: Hsiung-Jung, Sung	Company Act's director, representative, graduated from the Graduate Institute of Information Management of National Taiwan University and concurrently serves as a director of Aika Software (Suzhou) Co., Ltd. and MAXXIS Technology Co., Ltd. He has more than 30 years of experience and expertise required for business development.	1. Ares International Corp. holds more than 5% of the issued shares of the Company. 2. Hsiung-Jung, Sung was appointed by Ares International Corp. as the elected director of representative. 3. The rest meet the independence criteria listed in Article 3, Paragraph 1 of the Financial Supervisory Commission "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Conditions Name Gender	Professional Qualifications and Experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Ares International Corp. Representative: Chin-Wei, Yu	Company Act's director, representative, graduated from the University of Warwick with a master's degree in comparative literature, and concurrently serves as the supervisor of Aijia Software (Suzhou) Co., Ltd. He has the experience and expertise required for the Company's business development.	1. Ares International Corp. holds more than 5% of the issued shares of the Company. 2. Chin-Wei, Yu was appointed by Ares International Corp. as the elected director of representative. 3. The rest meet the independence criteria listed in Article 3, Paragraph 1 of the Financial Supervisory Commission "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Hung-Hsun, Ting	Independent Director of the Company; B.B.A., Department of Accounting, Chinese Culture University; CPA, Chien-Cheng Accounting Firm; CPA with professional license; Independent Director, CyberTAN Technology Inc.; Director, Xinxun Technology Co., Ltd.; Independent Director, ShunSin Technology Holdings Limited; Practical experience as a director of listed companies; and Required experience and expertise in finance, accounting and corporate business.	The three independent directors listed on the left have met the qualification requirements stipulated in Article 3 of the Financial Supervisory Commission "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of Securities and Exchange Act two years before being elected and during their term of office, and the independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of Securities and Exchange Act to perform the relevant functions and powers independently.	2
An-Tso, Chang	Independent Director of the Company; MBA, National Taiwan University; Adjunct Associate Professor, Department of Cultural and Creative Industry Management, National Taipei University of Education; Independent Director of Tai Chin Investment Holding Co., Ltd. and Pacific Medical Materials Co., Ltd.; Former Director and Supervisor of BenQ Medical Technology, President of BenQ Asia Pacific, Vice President of Qisda, and President of BenQ Materials Corporation; Possesses extensive industry experience and can provide the experience and expertise required by the company's business.		2
Dwen-Ren, Tsai	Independent Director of the Company, holds a Ph.D. in Computer Science from the City University of New York, U.S.A., and is currently an associate professor in the Department of Information Management and the Department of Information Engineering at the Chinese Culture University. He was a member and a member of the Examination Committee of the National Standards Board of the Ministry of Economic Affairs. He has experience and expertise in risk management, industrial knowledge and corporate business.		0

E. Diversity and Independence of the Board of Directors

In accordance with the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (A) Basic conditions and values: gender, age, nationality and culture, etc., and the ratio of female directors should reach one-third of the number of directors.
- (B) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the ability of operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, and decision-making.

The Board of Directors of the Company consists of seven directors, including three independent directors. The independent directors have not served for more than three consecutive terms, so as to avoid reducing their independence due to long-term tenure and can exercise their powers objectively. There are no circumstances specified in Paragraphs 3 and 4, Article 26-3 of Securities and Exchange Act, and there are no spouses or relatives within the second degree of kinship among the directors. The board members have relevant experience and professional capabilities in finance, accounting, industry or marketing, and the company pays attention to gender equality of the board members. At present, there are seven directors, and there are two female directors, and the target female director ratio can reach one-third of the board seats. The implementation of diversity of the board members is as follows:

Name Gender	Gender	Age	Nationality	Seniority of independent director	Professional knowledge and skills			Industry experience				
					Finance	Law	Marketing management	Risk Management	Business management	Industry knowledge	International market perspective	Leadership and decision-making
Chin-Lung, Hsu	Male	51 ~ 60 years old	R.O.C.	Not applicable.	✓		✓	✓	✓	✓	✓	✓
Nai-Jen, Cheng	Female	51 ~ 60 years old	R.O.C.	Not applicable.	✓		✓	✓	✓	✓	✓	✓
Hsiung-Jung, Sung	Male	61-70 years old	R.O.C.	Not applicable.			✓	✓	✓	✓	✓	✓
Chin-Wei, Yu	Female	41-50 years old	R.O.C.	Not applicable.	✓		✓	✓	✓	✓	✓	✓
Hung-Hsun, Ting	Male	61-70 years old	R.O.C.	Less than 3 years	✓	✓		✓	✓	✓	✓	✓

An-Tso, Chang	Male	51 ~ 60 years old	R.O.C.	Less than 3 years	✓		✓	✓	✓	✓	✓	✓
Dwen-Ren, Tsai	Male	71-80 years old	R.O.C.	Less than 3 years				✓		✓	✓	✓

(2) General Manager, Deputy General Manager, Assistant Vice President, and Managers of Departments and Branches

April 1, 2024 Unit: thousand shares; Percentage%

Job Title	Nationality	Name Gender	Gender	Date Elected (Assumed)	Shares Held		Shares Held by Spouse & Minors		Shareholding by Nominee Arrangement		Major (academic degree) experience	Current Positions at Other Companies	managerial officers is a spouse or relative within the second degree of kinship			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Job Title	Name Gender	Relationship	
President	R.O.C.	Chin-Lung, Hsu	Male	1999.09.06	1,030,710	4.69%	0	0%	0	0%	<ul style="list-style-type: none"> ● EMBA, National Taiwan University ● Master of Computer Engineering, Cornell University ● Master of Mechanical Engineering, Chiao-Kang University, U.S.A. ● Technical Director, First International Computer, Inc. ● Senior Business Manager of Spark Corporation 	<ul style="list-style-type: none"> ● Chairman of M-Power Information Co., Ltd. ● Chairman of Wei Gu Co., Ltd. 	Nil	Nil	Nil	Note 1
Executive Vice President	R.O.C.	Chen, Hsin-Yi	Male	2012.04.01	182,001	0.83%	0	0%	35,000	0.16%	<ul style="list-style-type: none"> ● Department of Information Science, Tunghai University ● Director of Technology of Rock Mobile Co., Ltd. ● Assistant Vice President 	Nil	Nil	Nil	Nil	
Vice President	R.O.C.	Ching-Tsu Lo	Male	2012.04.01	731,575	3.33%	410,009	1.86%	35,000	0.16%	<ul style="list-style-type: none"> ● Master of Information Engineering, National Taiwan University ● System engineer of First International Computer, Inc. ● Senior System Consultant, Spartan Inc. 	Nil	Nil	Nil	Nil	
Vice President	R.O.C.	Han-Lin, Li	Male	2011.01.01	334,711	1.52%	0	0%	35,000	0.16%	<ul style="list-style-type: none"> ● Department of Medical Engineering, Chung Yuan Christian University ● Product Marketing Manager, Third Wave Company 	Nil	Nil	Nil	Nil	
Vice President	R.O.C.	Nai-Jen, Cheng	Female	2011.01.01	129,000	0.58%	0	0%	86,000	0.39%	<ul style="list-style-type: none"> ● Department of Accounting, Tamkang University ● Deputy Team Leader, Ernst & Young, Taiwan 	<ul style="list-style-type: none"> ● M-Power Information Co., Ltd. Director 	Nil	Nil	Nil	
Vice President	R.O.C.	Chen-Chia Chang (Note 2)	Male	2020.11.04	233,081	1.06%	0	0%	0	0%	<ul style="list-style-type: none"> ● Department of Mechanical Engineering, Feng Chia University ● Sales Manager, First International Computer, Co., Ltd. 	Nil	Nil	Nil	Nil	
Assistant Vice President	R.O.C.	Yu-Chi, Wang	Female	2021.07.11	24,156	0.11%	0	0%	5,000	0.02%	<ul style="list-style-type: none"> ● Department of Accounting, Tamkang University ● Accountant, Guang Hsin Yi Qun Accounting Firm 	Nil	Nil	Nil	Nil	
Assistant Vice President	R.O.C.	Ming-Jen Chang (Note 3)	Male	2023.01.10	90,500	0.41%	732	0%	15,000	0.07%	<ul style="list-style-type: none"> ● Graduate Institute of Information Management, National Chung Cheng University 	Nil	Nil	Nil	Nil	
Assistant Vice President	R.O.C.	Yi-Chen Tsai (Note 4)	Female	2023.01.10	44,845	0.20%	0	0%	16,000	0.07%	<ul style="list-style-type: none"> ● Department of Information Management, Hsinpu Institute of Technology ● Sales Specialist, Delta Digital Technologies Inc. ● De Jie Co., Ltd. -Specialist 	Nil	Nil	Nil	Nil	

Job Title	Nationality	Name Gender	Gender	Date Elected (Assumed)	Shares Held		Shares Held by Spouse & Minors		Shareholding by Nominee Arrangement		Major (academic degree) experience	Current Positions at Other Companies	managerial officers is a spouse or relative within the second degree of kinship			Rema rk
					Shares	Shareho lding Ratio	Shares	Shareh olding Ratio	Shares	Shareho lding Ratio			Job Title	Name Gender	Relatio nship	
Assistant Vice President	R.O.C.	Liao Zhihua (Note 4)	Male	2023.01.10	31,716	0.14%	0	0%	23,000	0.10%	<ul style="list-style-type: none"> Department of Business Administration, Fu Jen Catholic University Project Manager, Zentel Technology Co., Ltd. 	Nil	Nil	Nil	Nil	
Assistant Vice President	R.O.C.	Ya-Ling Liao (Note 4)	Female	2023.01.10	25,800	0.12%	0	0%	16,000	0.07%	<ul style="list-style-type: none"> Department of Information Management, Wufeng Institute of Technology Qianjin International Co., Ltd. Consultant 	Nil	Nil	Nil	Nil	

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest managerial officers) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directors, keeping more than half of the directors not concurrently serving as employees, or managerial officers): The Company's chairperson of the board of directors also serves as the general manager to improve operational efficiency and decision-making execution. However, the chairperson of the board of directors fully communicates with directors on a daily basis in terms of the Company's operating conditions and plan and policies to implement corporate governance, thereby enhancing the functions of the board of directors and strengthening supervision functions. The Company has taken the following countermeasures:

- (1) The Company has completed the establishment of independent directors.
- (2) The Company has arranged professional courses for each director to improve the operation efficiency of the Board of Directors.
- (3) More than half of the members of the Board of Directors of the Company are not concurrently employees or employees

Note 2: On February 27, 2024, the position was adjusted to the director of market development.

Note 3: The position was adjusted to Senior Director on February 27, 2024.

Note 4: On February 27, 2024, the position was adjusted to the position of Minister.

3. Remuneration Paid to Directors, President and Vice Presidents in the Most Recent Year

A. Remuneration of Directors and Independent Directors

December 31, 2023 Unit: NT \$thousands

Job Title	Name Gender	Remuneration of directors								A · B · C and D (Note 10)				Relevant Remuneration Received by Directors Who are Also Employees						A · B · C · D · E · F and G (Note 10)		Remuneration from ventures other than subsidiaries or from the parent company (Note 11)
		Base Compensation (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Business execution expenses (D) (Note 4)		Salary, Bonuses, and Allowances (E) (Note 5)		Pension (F)		Employee Compensation (G) (Note 6)				The Company		Companies in the consolidated financial statements		
		The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	The Company	Companies in the consolidated financial statements			
Chairman	Chin-Lung, Hsu	0	0	0	0	360	360	10	10	0.41%	0.41%	2,985	2,985	0	0	2,345	0	2,345	0	6.37%	6.37%	Nil
Director	Nai-Jen, Cheng	0	0	0	0	360	360	10	10	0.41%	0.41%	1,719	1,719	0	0	1,298	0	1,298	0	3.79%	3.79%	Nil
Director	Ares International Corp. Representative : Hsiung-Jung, Sung	0	0	0	0	360	360	10	10	0.41%	0.41%	0	0	0	0	0	0	0	0	0.41%	0.41%	Nil
Director	Ares International Corp. Representative : Chin-Wei, Yu	0	0	0	0	360	360	10	10	0.41%	0.41%	0	0	0	0	0	0	0	0	0.41%	0.41%	Nil
Independent Director	Hung-Hsun, Ting	390	390	0	0	0	0	12	12	0.45%	0.45%	0	0	0	0	0	0	0	0	0.45%	0.45%	Nil
Independent Director	An-Tso, Chang	390	390	0	0	0	0	10	10	0.45%	0.45%	0	0	0	0	0	0	0	0	0.45%	0.45%	Nil
Independent Director	Dwen-Ren, Tsai	390	390	0	0	0	0	10	10	0.45%	0.45%	0	0	0	0	0	0	0	0	0.45%	0.45%	Nil

Job Title	Name Gender	Remuneration of directors					A、B、C and D (Note 10)	Relevant Remuneration Received by Directors Who are Also Employees					A、B、C、D、E、F and G (Note 10)	Remuneration from ventures other than subsidiaries or from the parent company (Note 11)	
		Base Compensation (A) (Note 2)	Pension (B)	Remuneration to Directors (C) (Note 3)		Business execution expenses (D) (Note 4)		Salary, Bonuses, and Allowances (E) (Note 5)	Pension (F)	Employee Compensation (G) (Note 6)					
				The Company	Companies in the consolidated financial statements (Note 7)					The Company	Companies in the consolidated financial statements	Cash Amount			Stocks Amount
		The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Cash Amount	Stocks Amount	Stocks Amount	The Company Company	Companies in the consolidated financial statements

1. Please describe the policy, system, standard and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks, investment time and other factors:

- (1) The remuneration of the independent directors of the Company is on a monthly basis.
- (2) Based on the actual attendance of the board of directors and its functional committees, the transportation allowance shall be paid only once if the board of directors or functional committees are held simultaneously on that day.
- (3) In accordance with Article 17 of Articles of Incorporation, the Board of Directors is authorized to determine the amount of remuneration (including travel expenses) paid to directors based on the industry standard.
- (4) Variable bonuses to directors of the Company (limited to directors involved in the daily operations of the Company) shall take into account the overall operating results of the Company for the year and the operating performance of the units under their jurisdiction, the total assessment, and shall pay attention to the reasonableness and fairness as well as the requirements of the Board of Directors and managerial officers Performance Evaluation Regulations.

2. Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as consultants for non-employees, etc.) in the most recent year: None.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of director			
	Total of (A + B + C + D)		Total of (A + B + C + D + E + F + G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) I
Below NT \$1,000,000	Chin-Lung, Hsu, Nai-Jen, Cheng, Ares International Hsiung-Jung, Sung, Ares International Chin-Wei, Yu, Hung-Hsun, Ting, An-Tso, Chang, Dwen-Ren, Tsai	Chin-Lung, Hsu, Nai-Jen, Cheng, Ares International Hsiung-Jung, Sung, Ares International Chin-Wei, Yu, Hung-Hsun, Ting, An-Tso, Chang, Dwen-Ren, Tsai	Hsiung-Jung, Sung, Chin-Wei, Yu, Hung-Hsun, Ting, An-Tso, Chang, Dwen-Ren, Tsai	Hsiung-Jung, Sung, Chin-Wei, Yu, Hung-Hsun, Ting, An-Tso, Chang, Dwen-Ren, Tsai
NT \$1,000,000 (inclusive) ~ NT \$2,000,000 (exclusive)	—	—	—	—
NT \$2,000,000 (inclusive) ~ NT \$3,500,000 (exclusive)	—	—	Nai-Jen, Cheng	Nai-Jen, Cheng
NT \$3,500,000 (inclusive) ~ NT \$5,000,000 (exclusive)	—	—	—	—
NT \$5,000,000 (inclusive) ~ NT \$10,000,000 (exclusive)	—	—	Chin-Lung, Hsu	Chin-Lung, Hsu
NT \$10,000,000 (inclusive) ~ NT \$15,000,000 (exclusive)	—	—	—	—
NT \$15,000,000 (inclusive) ~ NT \$30,000,000 (exclusive)	—	—	—	—
NT \$30,000,000 (inclusive) ~ NT \$50,000,000 (exclusive)	—	—	—	—
NT \$50,000,000 (inclusive) ~ NT \$100,000,000 (exclusive)	—	—	—	—
Over NT \$100,000,000	—	—	—	—
Total	7 people	7 people	7 people	7 people

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and representative separately), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in a summary manner. If a director is also a general manager or deputy general manager, this table and the following table "Remuneration of General Manager and Deputy General Manager" shall be filled in.

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salaries, job bonuses, severance pay, various bonuses, incentives, etc.).

Note 3: Fill in the amount of directors' remuneration approved by the board of directors in the most recent year.

Note 4: Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above benefits.

Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including General Manager, Deputy General Manager, other managerial officers and employees) in the most recent fiscal year. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above benefits. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including obtaining employee stock option certificates, restricting employee rights new shares and participating in cash capital increase subscription shares, etc., should also be included in the remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for directors concurrently serving as employees (including concurrently serving as president, vice president, other managerial officers and employees) in the most recent year, and the amount of employee remuneration approved by the board of directors in the most recent year should be disclosed. If it is not possible to estimate, the proposed distribution amount for this year will be calculated in proportion to the actual distribution amount last year, and the attached Table 1-3 should be filled in.

Note 7: Total remuneration in various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statement shall be disclosed.

Note 8: The name of each director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the director by the Company.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Net profit after tax refers to the net profit after tax of the most recent year's standard-alone or individual financial report.

Note 11: a. This column should clearly indicate the amount of remuneration received by the Company's directors from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "none").

b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries or the parent company shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investees".

c. The remuneration refers to the remuneration, compensation (including compensation of employees, directors and supervisors) and business execution expenses received by the Company's directors for serving as directors, supervisors or managerial officers in the reinvested business other than the subsidiaries or the parent company.

* The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the income tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

B. Remuneration of President and Vice President

December 31, 2023 Unit: NT \$thousands

Job Title	Name Gender	Salary (A) (Note 2)		Pension (B)		Bonuses and Allowances Special expenses, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				A · B · C and D (Note 8)		Remuneration from ventures other than subsidiaries or from the parent company (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		In Financial Report All companies (Note 5)		The Company	Companies in the consolidated financial statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stocks Amount			
President	Chin-Lung, Hsu	10,876	10,876	399	399	1,693	1,693	8,753	0	8,753	0	24.29	24.29	Nil.
Executive Vice President	Chen, Hsin-Yi													
Vice President	Ching-Tsu Lo													
Vice President	Han-Lin, Li													
Vice President	Nai-Jen, Cheng													
Vice President	Chang, Chen-Chia (Note)													

Note: Adjusted to Marketing Development Director on February 27, 2024.

Range of Remuneration

Range of Remuneration Paid to President and Vice Presidents	Name of President and Vice President	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Below NT \$1,000,000	—	—
NT \$1,000,000 (inclusive) ~ NT \$2,000,000 (exclusive)	Chen-Chia Chang	Chen-Chia Chang
NT \$2,000,000 (inclusive) ~ NT \$3,500,000 (exclusive)	Nai-Jen, Cheng	Nai-Jen, Cheng
NT \$3,500,000 (inclusive) ~ NT \$5,000,000 (exclusive)	Luo, Ching-Tsu, Han-Lin, Li, Chen, Hsin-Yi	Luo, Ching-Tsu, Han-Lin, Li, Chen, Hsin-Yi
NT \$5,000,000 (inclusive) ~ NT \$10,000,000 (exclusive)	Chin-Lung, Hsu	Chin-Lung, Hsu
NT \$10,000,000 (inclusive) ~ NT \$15,000,000 (exclusive)	—	—
NT \$15,000,000 (inclusive) ~ NT \$30,000,000 (exclusive)	—	—
NT \$30,000,000 (inclusive) ~ NT \$50,000,000 (exclusive)	—	—
NT \$50,000,000 (inclusive) ~ NT \$100,000,000 (exclusive)	—	—
Over NT \$100,000,000	—	—
Total	6 persons	6 persons

- Note 1: The names of the general manager and deputy general manager should be listed separately, and the amount of each payment should be disclosed in a summary manner. If a director concurrently serves as the General Manager or Deputy General Manager, this table and the above table "Remuneration to General Directors and Independent Directors" shall be filled in.
- Note 2: Refers to salaries, allowances, and severance pay made to the President and Vice Presidents in the most recent year.
- Note 3: Refers to other remuneration such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicle or other in-kind benefits made to the President and Vice Presidents in the most recent year. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above benefits. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including obtaining employee stock option certificates, restricting employee rights new shares and participating in cash capital increase subscription shares, etc., should also be included in the remuneration.
- Note 4: Fill in the amount of employee remuneration (including stocks and cash) that has been approved by the Board of Directors and is distributed to the General Manager and Deputy General Manager in the most recent fiscal year. If the amount of remuneration cannot be estimated, the amount of remuneration in the current fiscal year shall be calculated based on the ratio of the amount of remuneration distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 5: Total remuneration in various items paid out to this Company's President and Vice President by all companies (including this Company) listed in the consolidated statement shall be disclosed.
- Note 6: The aggregate of the remuneration to each president and vice president by the Company shall include the president's or vice president's name disclosed in the relevant space of the following table.
- Note 7: The total amount of remuneration paid to each general manager and deputy general manager of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the general manager and deputy general managers should be disclosed in the attribution level. Note 8: Net profit after tax refers to the net profit after tax of the most recent year's standard-alone or individual financial report.
- Note 9: a. This field should clearly indicate the amount of remuneration received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company (if not, please fill in "None").
- b. If the general manager or deputy general manager of the company receives remuneration from the reinvested business other than the subsidiaries or the parent company, the remuneration received by the company's general manager or deputy general manager from the reinvested business other than the subsidiaries or the parent company shall be included in the remuneration level column E, and the name of the column shall be changed to "the parent company and all the reinvested business."
- c. The remuneration refers to the remuneration, compensation (including compensation of employees, directors and supervisors) and business execution expenses received by the Company's general manager and deputy general managers for serving as directors, supervisors or managerial officers in reinvestment businesses other than subsidiaries or parent companies.
- * The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the income tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

C. managerial officers names and distribution of employee remuneration

December 31, 2023 Unit: NT \$thousands

	Job Title	Name Gender	Stocks Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
managerial officers	President	Chin-Lung, Hsu	0	12,389	12,389	13.85%
	Executive Vice President	Chen, Hsin-Yi				
	Vice President	Ching-Tsu Lo				
	Vice President	Han-Lin, Li				
	Vice President	Nai-Jen, Cheng				
	Vice President (Note 5)	Chen-Chia Chang				
	Assistant Vice President	Yu-Chi, Wang				
	Audit Manager	Cheng-Fen Ho				
	Assistant Vice President (Note 6)	Ming-Jen Chang				
	Assistant Vice President (Note 7)	Yi-Chen Tsai				
	Assistant Vice President (Note 7)	Liao Zhihua				
	Assistant Vice President (Note 7)	Ya-Ling Liao				
	(Corporate Governance Officer) Manager	Ming-Yu Ku				

Note 1: Individual names and titles should be disclosed, but the profit distribution can be disclosed in a summary.

Note 2: Fill in the amount of employee remuneration (including stocks and cash) that has been approved by the Board of Directors and distributed to managerial officers in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated in proportion to the actual distribution amount last year. Net profit after tax refers to the net profit after tax in the most recent year; If International Financial Reporting Standards has been adopted, net profit after tax refers to the net profit after tax of the most recent year's standard-alone or individual financial report.

Note 3: The scope of application of managerial officers is defined in the following manner, as per the Board's decree under Taiwan-Finance-Securities (III) No. 0920001301 dated March 27, 2003:

- (1) General Manager and equivalents
- (2) Deputy general manager and equivalent
- (3) Assistant Vice President and its equivalent
- (4) Head of Finance Department
- (5) Head of accounting department
- (6) Others who have the right to manage affairs and sign for the Company

Note 4: If the directors, general manager and deputy general manager receive employee remuneration (including stocks and cash), in addition to filling in the tables "Remuneration of General Directors and Independent Directors" and "Remuneration of General Manager and Deputy General Manager", they should also fill in this table.

Note 5: On February 27, 2024, the position was adjusted to the director of market development.

Note 6: The position was adjusted to Senior Director on February 27, 2024.

Note 7: On February 27, 2024, the position was adjusted to the position of Minister.

D. Separately compare and describe total remuneration, as a percentage of net income stated in the standard-alone or individual financial statements, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to Directors, President, and Vice Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

- (A) Ratio of total remuneration paid to the Company's Directors, President, and Vice Presidents to the net income in the last two years:

Unit: %

Item	The Company		In Financial Report All companies	
	FY22	FY23	FY22	FY23
Ratio of total directors' remuneration to after-tax profit or loss (%)	14.02	12.33	14.02	12.33
Ratio of total remuneration paid to the President and Vice President to the profit or loss after tax (%)	22.55	24.29	22.55	24.29

- (B) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

a. Remuneration policies, standards, and packages

- (a) According to Article 20 of this Articles of Incorporation, if the Company makes a profit in a year, the Remuneration Committee shall consider the overall performance of the Board of Directors, the Company's operating performance, the Company's non-operating and risk appetite to formulate distribution recommendations, and pay variable bonuses to the Company's directors (limited to those who participate in the Company's daily operations), taking into account the overall operating results of the Company in the year and the operating performance of the units under its jurisdiction total. When assessing the remuneration, attention should be paid to rationality and fairness and the provisions of the "Board of Directors and managerial officers Performance Evaluation Measures", but only distribute to general directors (excluding independent directors). Independent directors do not participate in the distribution of directors' remuneration; According to the "Regulations Governing the Remuneration of Directors and Supervisors", the Company shall pay a fixed amount of remuneration on a monthly basis to the independent directors of the Company who perform their duties during their term of office, regardless of the Company's operating profit or loss. The Company regularly evaluates the remuneration of directors in accordance with the "Board of Directors and managerial officers Performance Evaluation Measures", and the relevant performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors.
- (b) The remuneration of the Company's managerial officers is clearly defined in accordance with the "Regulations Governing the Remuneration of Directors and Supervisors" to Item, so as to understand and reward employees for their efforts at work. managerial officers conducts regular performance evaluations every year, and evaluates Item on target management, behavior and functions, attendance and absence, and

reward and punishment records, etc. The evaluation results are used as the basis for year-end bonuses and other remuneration. In addition, if the Company makes a profit in the current year, 10 ~ 15% shall be allocated as employee compensation in accordance with Article 20 of this Articles of Incorporation. The performance evaluation results implemented by the Company in accordance with the "Board of Directors and managerial officers Performance Evaluation Measures" serve as a reference for the issuance of managerial officers bonuses. The managerial officers performance evaluation Item is divided into: the Company's overall operating performance, departmental operating performance, and individual performance. The weight of the above-mentioned evaluation indicators is approved by the President under the authorization of the Chairman, and the remuneration system is reviewed at any time depending on the actual operating conditions and relevant laws and regulations.

- (c) The Company's remuneration package is determined in accordance with the Regulations Governing the Remuneration of Directors and Supervisors, including cash compensation, employee stock options, treasury stock transfer to employees, retirement pension, employee compensation, variable bonuses and other measures with substantial incentives; The scope is consistent with the relevant director's and managerial officers's emoluments in Regulations Governing Information to be Published in Annual Reports of Public Companies.
- b. Procedures for determining remuneration
- (a) In order to regularly evaluate the remuneration of directors and managerial officers, the remuneration is based on the evaluation results performed in the Company's "Board of Directors and managerial officers Performance Evaluation Measures". The remuneration of the general manager is determined in accordance with the "Remuneration Committee Charter" and linked to the Company's operating performance indicators, and submitted to the Board of Directors for approval. managerial officers: Leadership, forward-looking planning ability, and courage to do business; 2. The consolidated revenue achievement rate and net profit achievement rate after tax, the reasonableness of the correlation with the Company's operating performance and future risks, to fully show the achievement of operating performance indicators.
 - (b) The performance evaluation and reasonableness of the remuneration of the directors of the Company and managerial officers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to taking into account the individual's performance achievement rate and contribution to the Company, the overall operating performance of the Company, future risks and development trends of the industry, and timely review of the remuneration system according to the actual operating conditions and relevant laws and regulations at any time, and also total considers the current trend of corporate governance, and gives reasonable remuneration to seek a balance between the Company's sustainable operation and risk control. The actual amount of

remuneration paid to directors and managerial officers in 2022 was reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

c. Linkage to business performance and future risk exposure

- (a) The review of the payment standards and systems related to the company's remuneration policy is based on the company's overall operating conditions as the main consideration, and the payment standards are approved based on the performance achievement rate and contribution to enhance the overall organizational team effectiveness of the board of directors and the management department. In addition, we refer to the industry's remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry, so as to retain outstanding management talents.
- (b) The Company's managerial officers performance goals are combined with "risk control" to ensure that possible risks within the scope of responsibility can be managed and prevented, and the results of the actual performance evaluation are linked to relevant human resources and related salary and remuneration policies. The important decisions of the Company's management are made after balancing various risk factors. The performance of the relevant decisions is reflected in the Company's profitability, and the remuneration of the management is related to the performance of risk control.

4. Implementation of Corporate Governance

(1) Operation of the Board of Directors

A total of 5 meetings of the Board of Directors were held in 2023. The attendance of directors was as follows:

Job Title	Name Gender	Actual (recognized) Number of attendance	By Proxy Attendance	Actual (recognized) Attendance Rate (%)	Remark
Chairman	Chin-Lung, Hsu	5	0	100.00	
Director	Nai-Jen, Cheng	5	0	100.00	
Director	Ares International Corp. Representative : Hsiung-Jung, Sung	5	0	100.00	
Director	Ares International Corp. Representative : Chin-Wei, Yu	5	0	100.00	
Independent Director	Hung-Hsun, Ting	5	0	100.00	
Independent Director	An-Tso, Chang	5	0	100.00	
Independent Director	Dwen-Ren, Tsai	5	0	100.00	

Other matters:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - Matters referred to in Article 14-3 of Securities and Exchange Act: The Company elected independent directors at the shareholders' meeting on January 24, 2022 and established an Audit Committee. Therefore, the provisions of Article 14-3 of Securities and Exchange Act are not applicable. For a description of the matters referred to in Article 14-5 of Securities and Exchange Act, please refer to the operations of the Audit Committee.
 - Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Meeting Date	Proposal	Avoidance of Interest Name of Director	Recusal Reason	Participation in Voting
2023/2/24 10th Term 10th meeting	Proposal for the distribution of individual values of remuneration to directors and managerial officers in 2022	Chin-Lung, Hsu Nai-Jen, Cheng	Interest Related parties	The directors listed on the left did not participate in the discussion and voting, and the remaining directors present passed the proposal without objection.
	Promotion and salary adjustment of the Company's senior managerial officers	Nai-Jen, Cheng	Interest Related parties	The directors listed on the left did not participate in the discussion and voting, and the remaining directors present passed the proposal without objection.
2023/11/7 10th Term The 13th meeting	Appointment of members of the Company's first Sustainable Development Committee	Chin-Lung, Hsu Hung-Hsun, Ting An-Tso, Chang Dwen-Ren, Tsai	Interest Related parties	The directors listed on the left did not participate in the discussion and voting, and the remaining directors present passed the proposal without objection.
2023/12/26	The Company's 2023	Chin-Lung,	Interest	The directors listed on the left

10th Term 14th meeting	managerial officers year-end bonus case	Hsu Nai-Jen, Cheng	Related parties	did not participate in the discussion and voting, and the remaining directors present passed the proposal without objection.
	Proposal for adjustment of independent director's salary	Hung-Hsun, Ting An-Tso, Chang Dwen-Ren, Tsai	Interest Related parties	The directors listed on the left did not participate in the discussion and voting, and the remaining directors present passed the proposal without objection.

3. TWSE/TPEX listed companies should disclose information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) evaluation.

Implementation of the Board of Directors' evaluation

Evaluation cycle	Evaluation period	Scope	Method	Evaluation content
Every year Once executed	2023/01/01 ~ 2023/12/31	Board meeting	Board meeting Internal self- evaluation	1. Participation in the operation of the company 2. Improve the quality of board decisions 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors 5. Internal control
Every year Once executed	2023/01/01 ~ 2023/12/31	Individual director Members	Self- evaluation of Board members	1. Familiarity with the goals and missions of the Company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Internal relationship management and communication 5. Professionalism and continuing education of directors 6. Internal control
Every year Once executed	2023/01/01 ~ 2023/12/31	Functional committees (including Audit Committee and Remuneration Committee)	Internal self- evaluation of functional committees	1. Participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Improvement of quality of decisions made by the functional committee 4. Makeup of the functional committee and election of its members 5. Internal control
Every three years Once executed	2022/11/01 ~ 2023/10/31	Board meeting	External engagement Professional institutions (Note)	1. Board composition and professional development 2. Board decision-making quality 3. Board of Directors 4. Internal control and risk management 5. Level of participation in corporate social responsibility by the Board of Directors

Note: The Company commissioned the Taiwan Investor Relations Institute to conduct an evaluation of the operations of the Board of Directors for the period from November 1, 2022 to October 31, 2023. The association adheres to a fair and objective attitude and does not have any circumstances that affect independence, issues an independence statement, evaluates the documents, self-assessment questionnaires and on-site interviews provided by the Company, and evaluates Item in terms of board composition and professional development, board decision quality, board operation efficiency, internal control and risk management, and the

degree of participation in corporate social responsibility by the board of directors. The evaluation results have been reported to the board of directors on December 26, 2023. The external evaluation agency's improvement recommendations and the Company's improvement plans are as follows:

Item	Recommendations for improvement from external rating agencies	Improvement plan of the Company
1	According to the Global Sustainability Report GRI issued by the Association (GRI) sustainability report	The Company has planned to prepare the sustainability report in 2025.
2	Added one seat Number of Independent Directors	The Company will carefully study the recommendations and relevant laws and regulations to enhance corporate governance, strengthen the supervision function of the board of directors, and comply with laws and regulations.
3	With reference to the sustainable development of listed companies Action Plan (2023) Promotion One-third of the directors of any gender	The Company attaches great importance to the gender diversity of directors, and assesses and plans to have one-third of female directors in the next re-election of directors to meet international trends.
4	Board composition and materiality Succession planning for management	The Company will carefully evaluate the implementation of management succession plans.
5	Establish links to operational goals Intellectual Property Management Plan	In December 2023, the Board of Directors of the Company approved the establishment of an intellectual property management plan, and reported its operation to the Board of Directors at least once a year thereafter.
6	Input resources to support Domestic Culture Development	The Company will study to inject resources into cultural and artistic activities and cultural and creative industries to promote cultural development.

4. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (such as setting up an audit committee, improving information transparency, etc.) and evaluation of the implementation:

- (1) In order to improve corporate governance and strengthen the relevant functions of the Board of Directors, the Company has established the Audit Committee and the Remuneration Committee, and formulated the Regulations Governing the Evaluation of the Performance of the Board of Directors and managerial officers to establish a good governance system of the Board of Directors of the Company, improve supervision and strengthen the functions of the Board of Directors.
- (2) The Company is committed to improving information transparency. In addition to the appointment of a spokesperson and an acting spokesperson, there are dedicated personnel responsible for the disclosure of information and other related matters. In addition, the Company's website has an investor area to facilitate investors to obtain relevant information of the Company in real time.
- (3) In order to enhance the professional capabilities of directors, the Company provides information on continuing education courses for directors from time to time, and plans the learning and training map for directors in line with the Company's operational development.

(2) Operation of the Audit Committee

The first Audit Committee of the Company was established on January 24, 2022, consisting of three independent directors, and an independent director of Hung-

Hsun, Ting was elected as the convener. For the professional qualifications and experience of the members, please refer to the “Professional Qualifications of Directors and Independence of Independent Directors” of this annual report.

The key tasks of the Audit Committee in 2023 are as follows:

- A. Review quarterly financial reports
- B. Assess the effectiveness of the internal control system
- C. Formulation or revision of internal regulations, internal control systems and related important measures
- D. Matters in which a director is an interested party
- E. Significant asset or derivative transactions
- F. Loans of funds, endorsements, or provision of guarantees of a material nature
- G. The offering, issuance, or private placement of any equity-type securities.
- H. Evaluation of the independence and competence of CPAs
- I. Appointment, dismissal and remuneration of CPAs

A total of 5 meetings of the Audit Committee were held in 2023. The attendance of independent directors is as follows:

Job Title	Name Gender	Actual Attendance	By Proxy Attendance	Actual attendance rate (%)	Remark
Independent Director (Convener)	Hung-Hsun, Ting	5	0	100.00	
Independent Director	An-Tso, Chang	5	0	100.00	
Independent Director	Dwen-Ren, Tsai	5	0	100.00	

Other matters:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified:

(1) Matters referred to in Article 14-5 of Securities and Exchange Act:

Audit Committee Term (Date)	Proposal	Audit Committee Resolution Results	The Company's handling of the opinions of the Audit Committee
2023/02/24 First Session 8th meeting	1. 2022 Business Report and Financial Statements 2. 2022 Statement of Internal Control System 3. Evaluation of the independence and suitability of the Company's CPA 4. Appointment and remuneration of the Company's financial report CPA	Passed without objection from all members of the Audit Committee	Not applicable.
2023/05/10 First Session 9th meeting	1. 2023 Q1 Financial Statements	Passed without objection from all members of the Audit Committee	Not applicable.
2023/08/09 First Session 10th meeting	1. 2023 Q2 Financial Statements 2. Proposal to amend the “Internal Control System”	Passed without objection from all members of the Audit Committee	Not applicable.
2023/11/07 First Session 11 th	1. 2023 Q3 Financial Statements	Passed without objection from all members of the Audit Committee	Not applicable.

2023/12/26 First Session 12th meeting	1. Preparation of the 2024 audit plan 2. Proposal to amend the "Internal Control System"	Passed without objection from all members of the Audit Committee	Not applicable.
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(2) Other matters 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' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

3. Communication between independent directors and internal audit supervisors and accountants (including major matters, methods and results of communication on the company's financial and business conditions)

(1) The internal audit supervisor of the Company regularly completes the audit report and reports it to the independent directors for review in the Audit Committee, and communicates the results of the audit report and the follow-up situation. The audit supervisor also compiles and reports major audit findings to the independent directors.

(2) In addition to completing the audit of the financial statements in accordance with the laws and regulations, the Company's CPAs shall communicate fully with the independent directors in the Audit Committee on a quarterly basis. The independent directors shall also communicate with the CPAs on the Company's financial operations from time to time. If there are major financial and business matters, the CPAs shall also report and communicate to the members of the Audit Committee immediately.

(3) Please refer to the Company's website for the communication between the independent directors and the chief internal auditor and the CPAs.

(3) Corporate Governance Implementation Status and Deviations from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies and Reasons:

Item	Implementation Status			Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Abstract Illustration	
1. Has the Company established and disclosed Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies Corporate Governance Best Practice Principles?	✓		The Company has established the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies Corporate Governance Best Practice Principles and disclosed it on the Market Observation Post System and the Company's website.	No variance
2. Shareholding structure and shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its	✓ ✓ ✓ ✓		(1) The Company has established a spokesperson system in accordance with Corporate Governance Best Practice Principles, and the spokesperson or deputy spokesperson handles shareholders' suggestions, doubts, disputes and litigation matters, and has contact methods on the Company's website. (2) The Company has possessed a list of major shareholders and ultimate controllers of major shareholders who actually control the Company, and regularly tracks and understands them when reporting monthly equity changes. (3) The Company has established operating procedures for transactions between group companies, specific companies and related parties, operating standards for financial	No variance

Item	Implementation Status			Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Abstract Illustration	
<p>conglomerate structure?</p> <p>(4) Does the company establish internal rules against insiders trading with undisclosed information?</p>			<p>business between related parties, and operating measures for supervision of subsidiaries to effectively control major financial and business matters of related companies for risk control and firewall mechanisms.</p> <p>(4) The Company has established the Procedures for Handling Material Insider Information and the Measures for the Administration of Insider Trading Prevention to use the undisclosed information known to it to engage in insider trading, and also prevent others from using the undisclosed information to engage in insider trading.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Has the Company established methodology for evaluating the performance of its Board of</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established Corporate Governance Best Practice Principles and disclosed the diversity policy on the Company's website and Market Observation Post System. The members of the Board of Directors have fully considered their professional and industrial characteristics, and the proportion of directors with employee status is 29%, independent directors account for 43%, and female directors account for 29%. The Company pays attention to gender equality in the composition of the Board of Directors, with two female directors, all of whom have the knowledge, experience, skills and literacy necessary to perform their duties, and have expertise in various fields. All of them can make good suggestions on the Company's operations and the implementation of relevant internal control systems and related proposals. Therefore, the Company complies with the diversification policy of the composition of the Board of Directors and implements it.</p> <p>(2) In addition to the Remuneration Committee and the Audit Committee, the Company has established a Sustainable Development Committee in November 2023 to implement corporate governance, develop a sustainable environment, and safeguard social welfare, so as to implement the concept of corporate sustainable management and practice corporate social responsibility.</p> <p>(3) In order to implement corporate governance and enhance the functions of the Board of Directors and its functional</p>	No variance

Item	Implementation Status		Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	
Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?			<p>committees, the Company has formulated the Board of Directors and managerial officers Performance Evaluation Measures in March 2022 and approved by the Board of Directors. The performance evaluation of the overall Board of Directors, individual directors and functional committees is conducted regularly every year, and the performance evaluation results are reported to the Board of Directors; The external performance evaluation of the Board of Directors shall be conducted by an external professional independent organization or a team of external experts and scholars at least once every three years; The Company has completed the 2023 performance evaluation and submitted it to the Board of Directors on February 27, 2024 for review and improvement. The Board of Directors will use the results of the performance evaluation as a reference for the future nomination of directors and the remuneration of individual directors. The evaluation results are as follows:</p> <p>A. Results of the performance evaluation of the Board of Directors: The overall average score is between 4.43 and 4.86 (out of 5), of which the average score of "Election of Directors and Continuing Education" is low, mainly due to the company's succession plan, and director training should have a professional development plan; The Company has formulated a professional training plan for directors to enhance their professionalism.</p> <p>B. Results of the performance evaluation of the Board members: The overall average score is between 4.82 and 5 (out of 5), of which the average score of "participation in the company's operations" is low, mainly due to the need to strengthen the supervision of the company's potential risks and the understanding of the company and the management team; The Company shall strengthen risk control and report to the directors.</p> <p>C. Audit Committee performance evaluation results: The overall average score is between 4.78 and 5 (out of 5), among which the average score of "internal control" is low, and it is necessary to strengthen the supervision of various internal control systems and risk</p>

Item	Implementation Status		Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	
(4) Does the company regularly evaluate the independence of CPAs?			<p>management; The Company shall strengthen risk control and report to the directors.</p> <p>D. Results of the performance evaluation of the Remuneration Committee: The overall average score is between 4.71 and 5 (out of 5), in which the average score of "Improvement of the decision-making quality of the Remuneration Committee" is low, and it is still necessary to strengthen the provision of information on the complete proposal of the members and sufficient discussion time; The Company intends to review the integrity of the motion data and arrange sufficient discussion time.</p> <p>(4) The independence and suitability of the Company's certified public accountants for financial reporting has been submitted to the Audit Committee for evaluation on February 27, 2024, and submitted to the Board of Directors for approval of Resolution; In addition to requesting the CPAs to provide the "Statement of Independence" and the "Audit Quality Indicator (AQIU)", the assessment is conducted in accordance with the following important standards:</p> <p>A. The CPA has not invested or shared financial interests with other directors or managerial officers.</p> <p>B. The CPA does not have financing or guarantee activities with the Company.</p> <p>C. The CPA does not have a close business relationship or potential employment relationship with the Company.</p> <p>D. The CPA has not brokered any shares or other securities issued by the Company.</p> <p>E. The CPA does not act as the defender of the Company or coordinate conflicts with other third parties on behalf of the Company.</p> <p>F. The CPA is not a spouse or relative within the second degree of kinship with other directors or managerial officers.</p> <p>G. The CPA has not served as a director of the Company, managerial officers, or in a position that has a significant impact on the audit case in the last two years.</p> <p>H. The CPAs are not involved in the management function of the Company's decision-making.</p> <p>I. Obtain 13 audit quality indicators (AQIU) information provided by the accounting</p>

Item	Implementation Status			Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Abstract Illustration	
			<p>firm.</p> <p>J. Obtain an independent declaration issued by the accountant.</p> <p>After evaluation, the accounting firm and CPA appointed by the Company have no conflicts of interest with the Company and strictly abide by the independence, and have not served as a director of the Company or managerial officers, and are not shareholders of the Company, and have not been paid by the Company and the same CPA has not been appointed for seven consecutive years, so the independence and suitability of the CPA is in compliance with the requirements.</p>	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>On May 10, 2023, the Board of Directors of the Company approved the appointment of Ku Ming-Yu as the Chief Corporate Governance Officer, who has met the requirements of Article 23 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE/TPEX Listed Companies and the Board's Exercise of Powers" to perform legal, legal compliance, internal audit, financial, stock affairs, or corporate governance-related affairs for more than three years in accordance with Article twenty-one. Their terms of reference are as follows:</p> <p>A. Handling matters relating to board meetings and shareholders meetings according to laws.</p> <p>B. Producing minutes of board meetings and shareholders meetings.</p> <p>C. Assisting in onboarding and continuous development of directors.</p> <p>D. Provide information necessary for the directors to carry out their business.</p> <p>E. Assisting directors with legal compliance.</p> <p>F. Report to the Board of Directors the results of its review of the qualifications of independent directors during the nomination, election and tenure of the relevant laws and regulations.</p> <p>G. Handle matters related to the change of directors.</p> <p>H. Other matters set out in Articles of Incorporation or contracts.</p>	No variance

Item	Implementation Status			Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Abstract Illustration	
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		The Company has a spokesperson system and has set up a "Stakeholder Area" on the Company's website, so that stakeholders can contact the Company by telephone, letter, fax, and e-mail if necessary.	No variance
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed Fubon total Securities Co., Ltd. Shareholder Services Department as the dedicated stock agency to handle stock affairs.	No variance
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Has the Company adopted other means to disclose information (e.g. English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)? (3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and monthly operating conditions before the prescribed time limit?	✓ ✓ ✓		(1) The Company has set up a website and disclosed financial business and corporate governance information, and has a dedicated person to maintain and update the website information. (2) The Company has a spokesperson system, and the relevant questions are answered by the spokesperson or deputy spokesperson, and the relevant departments are responsible for the collection and disclosure of company information; The information of the Institutional Investor Conference has been placed on the Company's website for investors' reference; The Company enters the latest financial and business information of the Company on the designated information reporting website in accordance with the law. (3) The Company has published and reported its annual financial report within two months after the end of the fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	No variance
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk	✓		A. Employee rights and interests: The Company has implemented the relevant laws and regulations. For other employee benefits, please refer to the "Labor Relations" section of this annual report. B. Employee care: In order to promote communication with employees, the Company provides a variety of communication channels to ensure timely transmission and transparency of information, and to allow employees to fully express their suggestions to the	No variance

Item	Implementation Status			Differences from Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Abstract Illustration	
evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>Company as the basis for improvement of various measures.</p> <p>C. Investor relations: The Company attaches great importance to the rights and interests of investors. In addition to announcing information to the Market Observation Post System designated by the competent authority in accordance with relevant regulations, the Company also publishes relevant information on the Company's website.</p> <p>D. Stakeholder rights: In order to protect the rights of stakeholders, the Company has set up a spokesperson and a deputy spokesperson to respond to investors' questions, and to handle them in good faith and in a responsible manner.</p> <p>E. Implementation of risk management policies and risk balance standards: The Company has established risk management policies in accordance with the law, and based on these policies, regularly carries out risk management and assessment at the Company's management meetings.</p> <p>F. Implementation of customer relations policies: In order to provide customers and customers with a full range of services and protection, the Company communicates with customers immediately to understand their needs and promote the interaction between the Company and customers, and conducts internal meetings to review and improve.</p> <p>G. Directors' continuing education: The Company has arranged for Directors to participate in corporate governance-related courses. The Directors' training in 2023 is detailed in the following table.</p> <p>H. Purchase of liability insurance for directors: The Company has reported the purchase of liability insurance for directors and managerial officers at the board meeting on November 7, 2023, with an insured amount of NT \$96,000,000.</p> <p>I. The intellectual property management plan linked to the Company's operational objectives is detailed in the following table.</p>	
<p>9. 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: The Company was listed on the Taipei Exchange on December 14, 2022, and conducted the first corporate governance evaluation in 2023. The evaluation results for 2023 were 6% to 20% range for listed companies, and will evaluate and improve the non-scoring Item.</p>				

Intellectual Property Management

Explanation	Contents
Purpose	In order to protect the commercial value of the Company's intellectual property, improve the corporate governance structure and strengthen the supervision function of the Board of Directors, the Company has formulated an intellectual property management plan to integrate the scope of intellectual property and promote the management system thereunder to safeguard the Company's commercial interests and competitive advantages, ensure that intellectual property such as trademarks, patents, trade secrets and copyrights are appropriately disclosed to stakeholders, and faithfully present the Company's philosophy and core values of governance and management.
Strategy	<ul style="list-style-type: none"> ● In order to strengthen competitive advantages, during the R & D period, we actively lay out the inventory and management of intellectual properties such as trademarks and patents, so that core technologies or designs can be converted into patents, which increases the competition threshold and protects commercial value. ● Strengthen the awareness of intellectual property protection, and train colleagues to understand, use, manage and protect the company's intellectual property. ● Strengthen audit and review to ensure the continuous improvement of intellectual property management.
Implementation	<p>The Company has reported the intellectual property management plan to the board of directors on December 26, 2023. The current achievements in intellectual property are as follows:</p> <ul style="list-style-type: none"> ● Trademarks and patents: A total of seven trademarks, including carbon butlers and EZSO, are licensed in Taiwan. ● Trade Secrets <ol style="list-style-type: none"> 1. Signing of statement of integrity management: 100% of colleagues signing the statement of compliance with integrity management. 2. Protection of trade secrets: The new employees of the Company sign the "Confidentiality Agreement" and 100% of the employees sign the trade secrets protection regulations. ● Education and training <ol style="list-style-type: none"> 1. Organize "Intellectual Property Lectures" to promote the awareness of intellectual property among colleagues. 2. Promote employee education and training on ethical corporate management.

Directors in 2023

Job Title	Name Gender	Sponsoring Organization	Course title	Continuing education Hours
Chairman	Chin- Lung, Hsu	Taipei Exchange	Sustainable Development Action Plan Promotion Conference for Listed Companies	3
		Accounting Research and Development Foundation	2023 Seminar on Transformation Finance and Sustainability Disclosure	3
		Taipei Exchange	TPEX Family ESG Sharing Session	3

Job Title	Name Gender	Sponsoring Organization	Course title	Continuing education Hours
		Taiwan Investor Relations Institute	Insider trading prevention and countermeasures	3
Director	Nai-Jen, Cheng	Taiwan Institute of Directors	2023 KPMG Leadership Academy Forum-Business Opportunities and Challenges in the Net Zero Wave	3
		Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Power Summit	3
		Accounting Research and Development Foundation	2023 ESG Summit-Sharing of Sustainability Disclosure Examples	2
		Taiwan Investor Relations Institute	Insider trading prevention and countermeasures	3
Director	Hsiung- Jung, Sung	Taiwan Corporate Governance Association	Practical Analysis of Corporate Governance 3.0 "sustainability report"	3
		Taiwan Corporate Governance Association	Application of AI, law and audit	3
		Taiwan Investor Relations Institute	Insider trading prevention and countermeasures	3
Director	Chin-Wei, Yu	Taiwan Corporate Governance Association	Trade Secret Protection and non-competition	3
		Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Power Summit	3
		Taiwan Corporate Governance Association	Practical Analysis of Corporate Governance 3.0 "sustainability report"	3
		Taiwan Investor Relations Institute	Insider trading prevention and countermeasures	3
Independent Director Director	Hung- Hsun, Ting	CPA Associations R.O.C. (Taiwan)	IFRS2 Share-based Payment and IFRS9, IFRS15, and IFRS16 Material Issues	3
		CPA Associations R.O.C. (Taiwan)	ESG Overview and Lazy Party Package	3
		CPA Associations R.O.C. (Taiwan)	Improve information security literacy and personal data protection	3
Independent Director Director	An-Tso, Chang	Taiwan Institute of Directors	The Future of Enterprises under the War: Strategic Steering & Strategic Transformation	3
		Securities and futures institution	Discussion on post-acquisition integration issues and establishment of management mechanisms	3
Independent Director Director	Dwen-Ren, Tsai	Taipei Exchange	Sustainable Development Action Plan Promotion Conference for Listed Companies	3
		Taiwan Investor Relations Institute	Insider trading prevention and countermeasures	3

(4) Operation of the Remuneration Committee

A. Information on the members of the Remuneration Committee:

April 30, 2024

Identity	Conditions	Professional Qualifications and Experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
	Name Gender			

Independent Director (Convener)	Hung-Hsun, Ting	Please refer to disclosure of professional qualifications of directors and independence of independent directors.	2
Independent Director	An-Tso, Chang		2
Independent Director	Dwen-Ren, Tsai		0

B. Operation of the Remuneration Committee:

(A) The Company's Remuneration Committee consists of three members.

(B) The term of office of the current members: January 24, 2022 to January 23, 2025. The Remuneration Committee convened 4 meetings in 2023. The qualifications and attendance of the members are as follows:

Job Title	Name Gender	Actual attendance	Number of attendance by proxy	Actual attendance rate (%)	Remark
Convener	Hung-Hsun, Ting	4	0	100.00	
Member	An-Tso, Chang	4	0	100.00	
Member	Dwen-Ren, Tsai	4	0	100.00	

Other matters:

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

Date	Proposal	Results of Resolution	Opinion and handling of the Remuneration Committee
2023.02.24	1. Distribution of remuneration to employees and directors for 2022 2. Proposal for the distribution of individual values of remuneration to directors and managerial officers in 2022 3. Promotion and salary adjustment of the Company's senior managerial officers	Unanimously approved with consent of all attended committee members.	Nil
2023.05.10	1. Establishment of the Company's corporate governance officer.	Unanimously approved with consent of all attended committee members.	Nil
2023.08.09	1. Promotion and salary adjustment of the Company's managerial officers	Unanimously approved with consent of all attended committee members.	Nil
2023.12.26	1. Salary adjustment of the Company's managerial officers 2. The Company's 2023 managerial officers year-end bonus case 3. Proposal for adjustment of independent director's salary	Unanimously approved with consent of all attended committee members.	Nil

C. Duties of the Remuneration Committee:

- (A) The Remuneration Committee of the Company shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion.
 - a. Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managerial officers.
 - b. Regularly evaluate and determine the remuneration of directors and managerial officers.
- (B) The Company's Remuneration Committee shall perform the duties under the preceding paragraph in accordance with the following principles:
 - a. Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, as well as the reasonableness of the correlation between the

individual's performance and the Company's operational performance and future risk exposure.

- b. Directors and managerial officers should not be guided to engage in behavior that exceeds the Company's risk appetite in pursuit of remuneration.
- c. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.

(5) Operation of the Sustainable Development Committee

A. Duties of the Sustainable Development Committee

The Company established the Sustainable Development Committee on November 7, 2023, consisting of four directors, three of whom are independent directors, and elected the chairman of Chin-Lung, Hsu as the convener to implement corporate governance, develop a sustainable environment, and safeguard social welfare to implement the concept of sustainable business. The Committee is under the Board of Directors, and its responsibilities are as follows:

- (A) The formulation of the Company's sustainable development policies, objectives, strategies and implementation plans, the term "sustainable development of the Company" includes environmental (E), social (S), and governance (G) aspects, and the supervision of the implementation of the risk management system to ensure the effective operation of the risk management mechanism.
- (B) Review the implementation and effectiveness of the Company's sustainable development, revise the strategic objectives and relevant rules and regulations, and regularly report to the Board of Directors.
- (C) Other matters to be conducted by the Committee as directed by the Board of Directors Resolution.

B. Operation of the Sustainable Development Committee

The term of office of the current members: November 7, 2023 to January 23, 2025. The professional ability and attendance of the members are as follows:

Job Title	Name Gender	Professional ability	Attended in 2023
Chairman (Convener)	Chin-Lung, Hsu	Business management and marketing management Risk management, industry knowledge	1 time
Independent Director	Hung-Hsun, Ting	Accounting, law	1 time
Independent Director	An-Tso, Chang	Accounting, marketing management, business management	1 time
Independent Director	Dwen-Ren, Tsai	Risk management, industry knowledge	1 time

- (6) The implementation of the promotion of sustainable development and the difference from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons; Climate-related information:

Implementation of Sustainable Development and Differences from Sustainable

Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
1. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to be handled by senior management, and is supervised by the board of directors?	✓		<p>1. The Company established the Sustainable Development Committee on November 7, 2023. The members are Chin-Lung, Hsu (Chairman) and Hung-Hsun, Ting, An-Tso, Chang, and Dwen-Ren, Tsai (Independent Directors), and the Board of Directors supervises their operations. The Committee shall meet at least once a year and may meet at any time as necessary. By the end of 2023, a meeting has been held to report on the Company's internal promotion organization "Sustainable Development Committee" and its responsibilities.</p> <p>2. The Sustainable Development Committee has established a "Sustainable Development Promotion Committee", which is an internal promotion unit of the company, and is divided into environmental protection, social responsibility, corporate governance, and risk management groups. As of the end of 2023, 3 meetings have been held.</p> <p>3. The Board of Directors supervises the formulation of the Company's sustainable development policies, objectives, strategies and implementation plans, and monitors the implementation of the risk management system to ensure the effective operation of the risk management mechanism.</p>	No variance
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		In November 2023, the board of directors of the Company passed the risk management policy of Resolution, and conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality.	No variance
3. ENVIRONMENTAL ISSUES (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>1. The Company is an information service industry. Although it is not an industry with high greenhouse gas emissions, it pays attention to the impact of the operation process on the environment, and is committed to saving energy and reducing greenhouse gas emissions.</p> <p>2. The Company actively introduces ISO14064-1. In 2022, the Company</p>	No variance

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
			<p>will independently conduct organizational carbon inventory operations year by year, continue to collect real-time information related to the environment, and continue to evaluate and review the possible impact of operating activities on the natural environment.</p> <p>3. The Company plans to pass the ISO14064-1 external verification process in 2025.</p> <p>4. The Company is an information service company, and its main operating activities are software sales and professional services. The main sources of emissions are electricity use, employee commuting and travel.</p> <p>5. The Company is deeply aware of the impact of climate change on operational activities and the gradual increase in energy and environmental protection costs. The Company will continue to invest in relevant energy saving and carbon reduction measures, reuse of waste resources, and develop and promote more environmentally friendly products.</p> <p>6. Specific practices to promote energy conservation, carbon reduction, energy conservation and environmental protection:</p> <ul style="list-style-type: none"> ● Air-conditioning temperature set at 27°C ● Turn off the lights after use ● Use products with energy-saving and environmental protection labels ● Water conservation ● Self-made chopsticks, self-made tea cups ● Promote and implement waste sorting ● Introduction of electronic document forms to promote paperless ● Promote double-sided printing and set up waste paper recycling bins 	
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>1. The Company is not an industry with high energy consumption, but the Company has been making continuous efforts to improve energy efficiency and material recycling.</p> <p>2. Improve energy efficiency</p> <p>(1) The Company actively promotes the digitalization of documents and forms and promotes the paperless office to achieve the goal of energy saving and carbon reduction.</p>	No variance

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
			<p>(2) Encourage employees to implement energy-saving measures, such as setting the air-conditioning temperature at 27 degrees, turning off electrical appliances and lights at any time.</p> <p>(3) When purchasing equipment, priority is given to products with energy saving and environmental protection labels.</p> <p>3. Promote resource utilization and recycling</p> <p>(1) Establish recycling plan: set up a clear recycling bin in the office to distinguish recyclable resources, such as paper, plastics, metals, etc., for subsequent treatment and reuse.</p> <p>(2) Electronic equipment recycling: Establish procedures for recycling and handling computer parts and other electronic equipment that are no longer in use. These equipment can be dismantled, the reusable parts can be extracted, and the parts that cannot be reused can be treated appropriately to reduce the impact on the environment.</p> <p>(3) Employee training: Provide employee-related training and resources to enable employees to understand how to properly handle and recycle the resources in the office. This can include educating employees on how to classify and discard waste correctly, and how to use reusable resources.</p> <p>(4) Regular evaluation and improvement: Regularly evaluate the effectiveness of the recycling plan and make continuous improvement based on feedback and experience. This may include adjusting the location and type of recycling buckets, improving the efficiency of the supply chain, and seeking more opportunities for resource reuse.</p>	
(3) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take relevant countermeasures?	✓		The Company has established the Sustainable Development Best-Practice Principles. In addition to considering the impact of operations on ecological benefits, the Company should also implement and promote the importance of environmental protection and the potential impact assessment of climate	No variance

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																							
	Yes	No	Abstract Illustration																																								
			change to achieve the goal of strengthening environmental protection. The Company has also incorporated the issue of greenhouse gas reduction into its risk management, and continues to evaluate the potential risks and opportunities of climate change for the Company now and in the future.																																								
(4) Does the company count the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?	✓		<p>The Company will continue to conduct inventory of greenhouse gas emissions, water consumption and total weight of waste from 2022. The relevant data is as follows:</p> <p>Greenhouse gas emissions (kgCO₂e)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>3,197</td> <td>3,137</td> </tr> <tr> <td>Scope 2</td> <td>62,009</td> <td>58,666</td> </tr> <tr> <td>Total</td> <td>65,206</td> <td>61,803</td> </tr> </tbody> </table> <p>GHG emission intensity (kgCO₂e/million revenue)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>1,477 million</td> <td>1,599 million</td> </tr> <tr> <td>Scope 1</td> <td>2.16</td> <td>1.96</td> </tr> <tr> <td>Scope 2</td> <td>41.98</td> <td>36.69</td> </tr> <tr> <td>Total</td> <td>44.15</td> <td>38.65</td> </tr> </tbody> </table> <p>Water consumption (m³)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Water consumption</td> <td>921</td> <td>909</td> </tr> </tbody> </table> <p>Waste (kg)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Waste</td> <td>1798</td> <td>4217</td> </tr> </tbody> </table>		2022	2023	Scope 1	3,197	3,137	Scope 2	62,009	58,666	Total	65,206	61,803		2022	2023	Revenue	1,477 million	1,599 million	Scope 1	2.16	1.96	Scope 2	41.98	36.69	Total	44.15	38.65		2022	2023	Water consumption	921	909		2022	2023	Waste	1798	4217	No variance
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4. Social Issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>1. The Company respects and supports internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights", "UN Global Compact" and International Labor Organization "Declaration of Fundamental Principles and Rights at Work", abides by the laws and regulations of the place where the Company is located, and formulates human rights policies in accordance with the "United Nations Guiding Principles on Business and Human Rights".</p> <p>2. In order to let employees understand their rights and the company's policies and practices in social responsibility. In internal documents and methods such as the</p>	No variance																																							

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
			"Work Rules" and "Sexual Harassment Prevention Measures", it is clearly declared to protect the human rights of employees, including basic compliance with legal requirements, freedom of employment, humane treatment, prohibition of improper discrimination and sexual harassment, and the establishment of a diversified and effective communication mechanism, improvement of salary and benefits, provision of diversified training and development opportunities and abundant training course selection, and promotion of freedom of employment. All work is voluntary, and there is no slavery and human trafficking. Employees are not discriminated against because of race, religion, skin color, nationality, gender, etc. Tangible or intangible sexual harassment is strictly prohibited. In addition to relevant regulations, a complaint hotline and E-Mail address are set up.	
(2) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?	✓		<p>1. In addition to the health insurance and labor insurance in accordance with the relevant provisions of the Labor Standards Act of the Republic of China, the Company also provides employee group insurance and sets aside labor personal pension account system to protect employee-related benefits. The measures and implementation are as follows:</p> <p>A. Employees are entitled to special vacations and pension contributions in accordance with the law, and the Employee Welfare Committee is established to coordinate interest activities and protect labor rights.</p> <p>B. In addition to labor insurance and national health insurance, all employees are also provided with group business accidents and cancer medical insurance, for which the Company pays a guarantee fee.</p> <p>C. Provide fixed amount of subsidies for employee health checks and organize employee activities and travel activities from time to time to enrich the leisure activities of colleagues and enhance relationship.</p>	No variance

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
			<p>2. The Company has established the "Remuneration Policy, System, Standards, and Structure" and implemented it after the approval of the Remuneration Committee and the Board of Directors. The remuneration includes fixed Item and variable Item. The adjustment of fixed Item refers to the level of payment in the industry. The variable Item will be awarded various bonuses depending on the Company's operating performance, responsibilities and individual performance. According to Article 20 of the Articles of Incorporation, 10-15% of the profit of the current year is distributable as employees' compensation. In addition, the first-level supervisors or managerial officers hold management meetings on a monthly basis and at least four labor-management meetings a year to review various welfare measures related to employees, maintain good communication between the company and employees, and create a harmonious and competitive corporate environment.</p>	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>1. In order to create a safe and healthy workplace environment, to enable employees to understand the potential hazards in the working environment, and to reduce the risk of occupational disasters and accidents, the Company arranges "General Safety and Health Education and Training" for new and in-service personnel, and through the formulation, planning, supervision and promotion of safety and health management matters to ensure a safe and healthy working environment. In addition to labor insurance and national health insurance, all employees are also provided with group business accidents and cancer medical insurance, for which the Company pays a guarantee fee.</p> <p>2. Monthly statistics of occupational injury personnel. If an occupational disaster occurs, they will work with labor representatives to investigate, analyze, and make records, and conduct reviews and improvements. There will be no employee occupational disasters in 2023.</p> <p>3. No fire incident occurred in 2023.</p>	No variance

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
(4) Has the Company established an effective career development training program for employees?	✓		In accordance with the Company's organizational strategy and employees' personal development needs, the Company plans a complete training course, provides coaching for new recruits, and arranges technical development, marketing and sales related courses to train grassroots and middle and senior executives, shape personal career development and effectively enrich employees' career skills.	No variance
(5) Does the company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing and labeling of products and services, and has it established relevant consumer or customer protection policies and complaint procedures?	✓		The Company attaches great importance to the process of providing, establishing, managing and maintaining information services. The Company has established a complete complaint mechanism based on the operation methods and service processes derived from the nature of products and services. In addition, the marketing and labeling of products and services provided by the Company are in compliance with relevant regulations and international standards.	No variance
(6) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	✓		In order to promote the mutual growth of suppliers and partners, the Company has established a supplier code of conduct in 2023 as the basis for action, and aims to move toward a safe working environment and good labor relations, while complying with ethical operations, improving environmental protection, and achieving energy conservation and carbon reduction sustainability as the ultimate goal.	No variance
5. Does the Company refer to internationally accepted reporting standards or guidelines to prepare reports that disclose non-financial information of the Company, such as sustainability report? Do the reports above obtain assurance from a third party verification unit?		✓	The Company has not yet prepared a sustainability report, but the Company has planned relevant implementation plans and prepared them according to the Company's implementation status.	The Company has established the "Sustainable Development Best-Practice Principles", which will be handled in accordance with laws and regulations in the future.
<p>6. If the Company has established its sustainable development code of practice in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the operational status and differences:</p> <p>The Company has established the Sustainable Development Best-Practice Principles and established the Sustainable Development Committee in November 2023 to implement corporate governance, develop a sustainable environment, and maintain social welfare in order to implement the concept of corporate sustainable management and practice corporate social responsibility. There is no significant difference from the established code.</p>				

Promote Item	Implementation			Differences from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Abstract Illustration	
7. Other important information to facilitate better understanding of the Company's implementation of sustainable development:				
<p>(1) Since 2019, the Company has successively donated the GCRS Group Consolidated Reporting System to the Department of Accounting, Tamkang University, the Department of Accounting, Tunghai University, the Department of Accounting, Cheng Kung University and the Department of Accounting, Soochow University, hoping to promote the cooperative relationship with the education unit.</p> <p>(2) The Company has established an employee welfare committee to plan and provide high-quality benefits for employees, such as employee travel subsidies, wedding gifts, maternity gifts, funeral subsidies, ten thousand yuan family activities, etc.; In addition, we provide employees with a fixed subsidy for health check-up. In 2023, we will subsidize the fixed cost of single-direction check-up for more pain-free gastrointestinal mirrors and low-dose lung computer tomography. In terms of group insurance, we have also increased the protection of accident, medical insurance and other benefits.</p> <p>(3) The Company participated in the "Angel House 2023 Mid-Autumn Festival Charity Transfer" and donated all the proceeds from the charity sale to the "Hsinchu City Catholic Education and Renai Foundation."</p> <p>(4) In 2023, a risk management team was established, and the Board of Directors supervises the implementation of the risk management system and formulates risk management policies to ensure the effective operation of the risk management mechanism.</p>				

Climate-related information of listed companies

1 Implementation of climate-related information

Item	Implementation
1. Describe the Board of Directors and management's supervision and governance of climate-related risks and opportunities.	1. In November 2023, the Company's Board of Directors approved the establishment of the Sustainable Development Committee, and the management unit of the Company established the Sustainable Development Committee, under which four teams (Environmental Protection, Social Responsibility, Corporate Governance, Risk Management) were established to formulate improvement countermeasures for climate change-related issues and report to the Board of Directors on a regular basis.
2. Describe how the climate risks and opportunities identified affect the business, strategy, and finance (short, medium, and long-term).	2. In accordance with the TCFD framework, the Company assesses the risks and opportunities of climate change to the Company, and explains the impact on the Company's business, strategy and finance (short-term, medium-term and long-term) as follows: Short-term: Due to customer requirements for suppliers, the Company needs to provide information on greenhouse gas inventory and reduction targets. The Company needs to use low-carbon energy and energy-saving equipment in order to achieve the carbon reduction target.

Item	Implementation
<p>3. Describe the impact of extreme climate events and transformation actions on finance.</p> <p>4. Describe how the identification, evaluation, and management processes of climate risks are integrated into the overall risk management system.</p> <p>5. If the resilience in the face of climate change risks is evaluated using scenario analysis, the use of scenarios, parameters, assumptions, analysis factors and major financial impacts should be explained.</p> <p>6. If there is a transformation plan to manage climate-related risks, the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be stated.</p> <p>8. If there is a climate-related target, it should explain the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of the progress; If the Carbon Offset or Renewable Energy Certificate (RECs) are used to achieve the relevant goals, the source and quantity of the carbon reduction quota offset or the quantity of the Renewable Energy Certificate (RECs) should be stated.</p> <p>9. Greenhouse gas inventory and assurance situation, reduction targets, strategies and specific action plans (please also fill in 1-1 and 1-2).</p>	<p>Medium and long-term: The Company is still under evaluation.</p> <p>3. The Company is in the information service industry, and extreme climate events and transformation actions have no significant financial impact on the Company.</p> <p>4. In order to fully understand the impact of climate change-related risks and opportunities on the Company, the Sustainability Promotion Committee of the Company is responsible for promoting the management of climate change-related risks and opportunities, and reporting risks and opportunities to the Board of Directors from time to time to implement the tracking supervision mechanism.</p> <p>5. The Company intends to use scenario analysis to evaluate the resilience in the face of climate change risks in accordance with the recommended guidelines of TCFD, and the complete information will be disclosed in sustainability report.</p> <p>6. In 2023, the Company is still planning a transformation plan to manage climate-related risks.</p> <p>7. The Company did not use internal carbon pricing as a planning tool in 2023.</p> <p>8. The Company is a non-high energy consumption industry, and its main source of emissions is the electricity shared by the building. Therefore, currently, there is no suitable climate-related goal, but the company is still working hard to improve energy efficiency and promote material recycling issues.</p> <p>9. Since 2022, the Company has conducted an annual inventory of greenhouse gas emissions and formulated a plan to pass the ISO14064-1 external inspection and verification procedure in 2025. As an enterprise in the low-carbon emission industry, the main emission source of the Company is the electricity shared by the building. Although there is no appropriate carbon reduction target that can be set at present, the Company continues to strive to improve energy efficiency and promote material recycling issues.</p>

1-1 The Company's greenhouse gas inventory and assurance situation in the last two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons CO₂e), intensity (metric tons CO₂e/million) and data coverage for the last two years.

The Company's greenhouse gas emissions (metric tons of CO₂e) in the last two years are as follows, and the data covers the Taipei headquarters and the Kaohsiung branch.

	Year 2022	Year 2023
Scope 1	3.2	3.1
Scope 2	62	58.7
Total	65.21	61.8

The Company's greenhouse gas emission intensity (metric tons CO₂e million) in the last two years is as follows, and the data covers the Taipei headquarters and the Kaohsiung branch.

	Year 2022	Year 2023
Revenue	1,477 million	1,599 million
Scope 1	0.00216	0.00196
Scope 2	0.04198	0.03669
Total	0.04415	0.03865

Note 1: Direct emissions (Scope 1: Direct emissions from sources that are owned or controlled by the Company), energy indirect emissions (Scope 2: Indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (Scope 3: Emissions from company activities, not from energy indirect emissions, but from sources that are owned or controlled by other companies).

Note 2: The data coverage of direct emissions and energy indirect emissions should be handled in accordance with the schedule specified in Paragraph 2 of Article 10 of this Code, and other indirect emissions information may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: The Greenhouse Gas Protocol or ISO 14064-1 issued by the International Organization for Standardization.

Note 4: The intensity of greenhouse gas emissions can be calculated by each unit of product/service or turnover, but at least the data calculated by turnover (NT \$million) should be stated.

1-1-2 Greenhouse gas verification information

Describe the assurance situation for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance agency, assurance standards and assurance opinions.

The calculation result of the company's carbon emissions has not yet been externally assured, but it is planned to pass ISO14064-1 external verification procedures in 2025.

Note 1: It shall be handled in accordance with the schedule stipulated in Paragraph 2 of Article 10 of this Code. If the Company fails to obtain a complete greenhouse gas assurance opinion on the date of publication of the annual report, the "complete assurance information will be disclosed in the sustainability report" shall be indicated. If the Company fails to prepare the sustainability report, the "complete assurance information will be disclosed in the Market Observation Post System" shall be indicated, and the complete assurance information shall be disclosed in the annual report of the following year.

Note 2: The assurance agency shall comply with the relevant regulations of the sustainability report assurance agency stipulated by the Taiwan Stock Exchange Corporation and Taipei Exchange.

Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

1-2 Greenhouse gas reduction targets, strategies and concrete action plans

Describe the base year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.

As an enterprise in the low-carbon emission industry, the main source of emissions of the Company is the electricity shared by the building. At present, there is no appropriate carbon reduction target that can be set, but the company continues to strive to improve energy efficiency.

Note 1: It shall be handled according to the schedule stipulated in Paragraph 2 of Article 10 of this Code.

Note 2: The base year should be the year when the inventory is completed by the boundary of the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of this standard, companies with a capital amount of more than NT \$10,000,000,000 should complete the inventory of the 2024 consolidated financial report in 2025, so the base year is 2024. If the company has completed the inventory of the consolidated financial report in advance, the earlier year can be the base year, and the data of the base year can be calculated by the average of a single year or a few years.

Note 3: For disclosure content, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(7) Implementation of ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Item	Implementation Status		Abstract Illustration	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by the Board of Directors, and clearly state the policy and practice of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the corporate management policy?</p> <p>(2) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate</p>	✓		<p>(1) The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which have been approved by the Board of Directors, specifying the principles and procedures of the Company's ethical management, and the Board of Directors and management have taken ethical management as the Company's business philosophy.</p> <p>(2) In March 2022, the Board of Directors of the Company approved the establishment of the Procedures for Ethical Management and Guidelines for Conduct, and specifically regulates how the relevant personnel of the Company prevent unethical behaviors and prevent violations of the procedures, and the content covers the preventive measures for the behaviors in paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles</p>	No variance

Item	Implementation Status		Abstract Illustration	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No		
<p>Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p>			<p>for TWSE/GTSM Listed Companies".</p> <p>(3) The Company has specified operating procedures, behavior guidelines, punishment for violation and appeal system in the Ethical Corporate Management Operating Procedures and Code of Conduct, and encourages employees to report to the above when they find violations of laws or ethical code of conduct. The Company will promote relevant personnel within the business scope who have a higher risk of unethical conduct in a timely manner to prevent the occurrence of unethical conduct.</p>	
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?</p>	✓		<p>(1) The Company has assessed the integrity records of the transaction object and evaluated the contract signed with the transaction object according to the actual situation and included the relevant provisions of integrity management.</p> <p>(2) The Company has designated the Administrative Management Department as the dedicated unit to be responsible for the revision, implementation, interpretation, consulting services, notification, registration and filing of the operating procedures and codes of conduct for ethical management and the supervision and implementation thereof. The ethical management operation in 2023 (as follows) was reported to the Board of Directors on February 27, 2024.</p> <p>A. The Company held a 3-hour training course on insider trading prevention and response on December 5, 2023. The training targets are directors, managers and insiders of the Company. A total of 12 people received the training.</p> <p>B. The Company has established Corporate Governance Best Practice Principles, which stipulates that directors shall not trade its shares within 30 days before the announcement of the annual financial report and within 15 days before the announcement of the quarterly financial report; The</p>	No variance

Item	Implementation Status		Abstract Illustration	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No		
<p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit formulated relevant audit plans based on the assessment results of the risk of dishonesty, and checked the compliance of the plan to prevent dishonesty, or entrusted an accountant to perform the audit?</p>			<p>Company has notified and reminded the directors not to trade their shares during the closed period before the publication of quarterly and annual financial reports.</p> <p>C. From October to November 2023, the online employee education and training course on ethical corporate management was conducted, as described in (5) for details.</p> <p>D. In order to implement the integrity management policy, a total of 92 people have signed up to 2023, and 100% of colleagues have signed a statement of compliance with integrity management, stating that they are willing to comply with the company's integrity management code, listing-related regulations and other integrity management-related laws and regulations. In the process of business execution, there will be no direct or indirect provision, receipt, promise or request of any improper benefits, or engage in other violations of integrity, law or trustee obligations. The Company also promotes employee education and training on ethical corporate management.</p> <p>(3) The Company has established policies to prevent conflicts of interest and provide appropriate communication channels in the Ethical Corporate Management Best Practice Principles, and implemented them.</p> <p>(4) The Company shall establish an effective accounting system and internal control system for business activities with a higher risk of dishonest behavior, and shall not have external accounts or keep secret accounts, and shall review them at any time to ensure that the design and implementation of the system continues to be effective. The internal audit unit of the Company formulates relevant audit plans based on the assessment results of the risk of unethical conduct, including the audit target, scope, Item, frequency, etc., and audits the compliance of the prevention plan accordingly, and may appoint accountants to perform the audit, and may engage professionals to assist if necessary.</p>	

Item	Implementation Status		Abstract Illustration	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No		
(5) Does the company regularly hold internal and external educational trainings on operational integrity?			(5) From October to November 2023, the online integrity management employee education and training course was conducted, through the short video "Happiness. Uniform and Uniform", the anti-corruption department of the Ministry of Justice, and the "Integrity Management Course" provided by Ministry of Economic Affairs, the practical integrity management teaching materials, which lectured important norms and examples of the integrity management code (including the United Nations Convention against Corruption and the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, etc.), workplace integrity and legal responsibility, case study of violations of the integrity management code, insider trading prevention and practical case sharing, etc. A total of 87 employees participated in the training, and the total number of training hours of integrity management courses was 2 hours. In 2023, the employee training rate reached 100% (including new employees). Since mid-November 2023, 2 hours of integrity management education and training have been listed as the mandatory Item for new employee training.	
3. Operation of the Company's whistleblowing system (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms? (3) Does the company provide proper	✓		(1) The Company has established a specific whistleblowing and reward system in the Procedures for Ethical Management and Guidelines for Conduct, and the dedicated unit of the Company will report to the Board of Directors on the whistleblowing matters, their handling methods and subsequent review and improvement measures. (2) The Company has established the standard operating procedures for the investigation of the reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism in the Ethical Corporate Management Operating Procedures and Code of Conduct. (3) The relevant personnel of the Company	No variance

Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
whistleblower protection?			handling the whistle-blowing matters shall make a written statement to keep the identity of the whistle-blower and the content of the report confidential, and the Company undertakes to protect the whistle-blower from improper disposal due to the whistle-blowing.	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and Market Observation Post System?	✓		The company has set up a "Sustainable Development Zone" on the company's website, and disclosed the implementation of integrity governance and the promotion effect.	No variance
5. 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: The Company has established the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. There is no significant difference between the Company's operation and implementation and the established code, and the implementation is normal.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies) A. In order to establish a corporate culture of ethical management, sound development and establish a good business operation model, the Board of Directors of the Company has passed the Resolution to stipulate that the directors of the Company, managerial officers, employees or those with substantial control capabilities shall not directly or indirectly provide, promise, request or accept any improper benefits or commit unethical acts such as breach of ethics, illegal acts or breach of fiduciary obligations in the course of business activities, in order to obtain or maintain benefits. B. In order to implement the integrity management policy, all employees of the Company have signed the statement of compliance with integrity management in 2023, stating that they are willing to comply with the Company's integrity management code, listing-related regulations and other integrity management-related laws and regulations. In the process of business execution, there will be no direct or indirect provision, receipt, promise or request of any improper benefits, or engage in other violations of integrity, law or trustee obligations. The Company also promotes employee education and training on ethical corporate management.				

(8) If the Company has a corporate governance code and related regulations, it should disclose its inquiry method:

The Company has established relevant regulations such as Rules of Procedure for Shareholders Meetings, Procedures for Election of Directors, Rules Governing the Scope of Powers of Independent Directors, Code of Ethical Conduct, and Procedures for Ethical Management and Guidelines for Conduct, and operates and implements regulations related to corporate governance in accordance with the spirit of corporate governance, and promotes the operation of corporate governance by revising relevant

management methods, strengthening information transparency and strengthening the functions of the board of directors. The relevant regulations have been placed on the Company's website under the "Investor Zone → Corporate Governance → Important Internal Regulations of the Company" for shareholders' inquiries.

- (9) Other important information that is sufficient to enhance the understanding of the operation of corporate governance:
- A. The Company has established a code of ethical conduct to guide the conduct of the Company's directors and managerial officers to comply with ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards. In addition, the Company has also established the Rules of Procedure for Board of Directors Meetings to regulate the recusal of directors to protect the interests of the Company and the investing public.
 - B. In order to encourage shareholders to participate in the shareholders' meeting, the Company, in addition to accepting shareholders' proposals at the annual shareholders' meeting in accordance with laws and regulations, also announces that shareholders can exercise their voting rights in writing. For the method of exercise and implementation, please refer to Market Observation Post System.
 - C. The Company has established Corporate Governance Best Practice Principles, which stipulates that directors shall not trade its shares within 30 days before the announcement of the annual financial report and within 15 days before the announcement of the quarterly financial report; The Company has notified and reminded the directors not to trade their shares during the closed period before the publication of quarterly and annual financial reports.

(10) Implementation of internal control system

A. Statement of Internal Control

M-Power Information Co., Ltd.
Statement of Internal Control System

Date: February 27, 2024

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

1. The Company acknowledges and understands that the establishment, enforcement and preservation of the internal control system are the responsibility of the Board of Directors and managerial officers, and that the Company has already established such a system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated Item objectives; In addition, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in Rules for Handling the Establishment of Internal Control Systems by Public Offering Company ("Rules for Handling") in Item. The internal control system adopted by "Rules for Handling" judges that Item is based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Each component further contains several Item s. Please refer to "Item" for details.
4. The Company has adopted the aforementioned Item to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, thirty-two, one hundred and seventy-one, and one hundred and seventy-four of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors in their meeting held on February 27, 2024, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

M-Power Information Co., Ltd.
Chairman: Chin-Lung, Hsu
President: Chin-Lung, Hsu

B. Entrusted accountant to review the internal control system: Not applicable.

(11) Any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement: None.

(12) Important Resolution of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

A. Important Resolution items and implementation status of the 2023 shareholders' meeting

Date	Key Resolution Matters	Implementation
2023.06.09 Annual General Meeting	2022 Business Report and Financial Statements of adoption	Resolution passed.
	2022 Earnings Distribution of adoption	On August 9, 2023, the board of directors of Resolution set September 12, 2023 as the ex-dividend date and September 28, 2023 as the cash dividend payment date, with a cash dividend of NT \$3.8 per share.
	Approved the amendment of certain articles of the Company's "Rules of Procedure for Shareholders Meetings "	It was announced on the Company's website in June 2023, and it was handled in accordance with the revised rules.
	Approval of the release of restriction on directors non-competition	Implemented in accordance with Resolution.

B. Important Resolution of the Board of Directors in 2023 and up to the publication date of the annual report

Date	Key Resolution Matters
2023.02.24	<ol style="list-style-type: none"> 1. Distribution of remuneration to employees and directors for 2022 2. 2022 Business Report and Financial Statements 3. 2022 Earnings Distribution 4. 2022 Statement of Internal Control System 5. The company's new bank credit line case 6. Evaluation of the independence and suitability of the Company's CPA 7. Appointment and remuneration of the Company's financial report CPA 8. Proposal to release the restriction on the Company's director, non-competition 9. The agenda for the 2023 regular shareholders' meeting and matters related to shareholders' proposal rights 10. Proposal for the distribution of individual values of remuneration to directors and managerial officers in 2022 11. Promotion and salary adjustment of the Company's senior

Date	Key Resolution Matters
	managerial officers
2023.05.10	<ol style="list-style-type: none"> 1. 2023 Q1 Financial Statements 2. Greenhouse gas inventory and verification schedule of the Company 3. Amendments to the “Regulations Governing the Evaluation of the Performance of Corporate Governance Best Practice Principles, the Board of Directors, and managerial officers” 4. The company's bank credit line renewal case 5. Establishment of the Company’s corporate governance officer.
2023.08.09	<ol style="list-style-type: none"> 1. 2023 Q2 Financial Statements 2. Determining the base date and distribution date of cash dividends 3. Proposal to amend the “Internal Control System” 4. The company's bank credit line renewal case 5. Promotion and salary adjustment of the Company's managerial officers
2023.11.07	<ol style="list-style-type: none"> 1. 2023 Q3 Financial Statements 2. Formulation and revision of various management measures 3. Proposal to establish a "Sustainable Development Committee" and formulate the "Sustainable Development Committee Charter" 4. Appointment of members of the Company's first Sustainable Development Committee
2023.12.26	<ol style="list-style-type: none"> 1. Proposal for Approval of 2024 Business Plan and Budget 2. Preparation of the 2024 audit plan 3. Proposal to amend the “Internal Control System” 4. Salary adjustment of the Company's managerial officers 5. The Company's 2023 managerial officers year-end bonus case 6. Proposal for adjustment of independent director’s salary
2024.02.27	<ol style="list-style-type: none"> 1. Distribution of remuneration to employees and directors in 2023 2. 2023 Business Report and Financial Statements 3. 2023 Earnings Distribution 4. 2023 Statement of Internal Control System 5. The company's bank credit line case 6. Evaluation of the independence and suitability of the Company's CPA 7. Appointment and remuneration of the Company's financial report CPA 8. Proposal to amend various management measures 9. Election of the 11th Board of Directors and Independent Directors 10. The agenda for the 2024 regular shareholders' meeting and matters related to shareholders' proposals and nomination rights of directors (including independent directors) 11. Proposal for distribution of individual values of remuneration to directors and managerial officers for 2023 12. Review the scope of managerial officers

Date	Key Resolution Matters
2024.04.16	<ol style="list-style-type: none"> 1. Nomination of candidates for directors (including independent directors) of the 11th Board of Directors 2. Proposal to lift the restriction on new director non-competition 3. The company's bank credit line case 4. Proposal to amend the “Measures for the Management of the Prevention of Insider Trading”

(13) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolution Passed by the Board of Directors: None.

(14) Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, Accounting Supervisor, Heads of Finance, Internal Audit and R & D: None.

5. Information on CPA Professional Fees

Unit: NT \$thousands

CPA Accounting Firm Company Name	CPA Name Gender	CPA Audit Period	Audit Fee Non-audit Fee	Non-Audit Fees	Total	Remark
KPMG	Chun-I, Chang	2023/01/01 ~ 2023/12/31	1,420	180	1,600	The non-audit fee is tax certification.
	Chun-Hsiu, Kuang					

- (1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason (s) therefor shall be disclosed: None.

6. Information on replacement of CPA: None.

7. The Company's Chairman, President, or managerial officers in charge of its finance and accounting operations did not hold any position in the Company's independent auditing firm or its affiliates during the past year: None.

8. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, managerial officers, or Shareholder with a Stake of More than 10 Percent during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

- (1) Changes in Shareholding of Directors, managerial officers and Major Shareholders

Unit: Shares

Job Title	Name Gender	FY23		As of April 30, 2024	
		Shares Held Increase (decrease)	Pledged Holding Increase (Decrease)	Shares Held Increase (decrease)	Shares Pledged Increase (decrease)
Chairman and President	Chin-Lung, Hsu	0	0	0	0
Director	Ares International Corp. Representative : Hsiung-Jung, Sung	0	0	0	0
Director	Ares International Corp. Representative : Chin-Wei, Yu	0	0	0	0
Director Vice President	Nai-Jen, Cheng (Note 1)	(82,000)	0	0	0
Independent Director	Hung-Hsun, Ting	0	0	0	0
Independent Director	An-Tso, Chang	0	0	0	0

Job Title	Name Gender	FY23		As of April 30, 2024	
		Shares Held Increase (decrease)	Pledged Holding Increase (Decrease)	Shares Held Increase (decrease)	Shares Pledged Increase (decrease)
Independent Director	Dwen-Ren, Tsai	0	0	0	0
Executive Vice President	Chen, Hsin-Yi	(109,000)	0	0	0
Vice President	Han-Lin, Li (Note 1)	(113,000)	0	0	0
Vice President	Luo, Ching-Tsu (Note 1)	(20,000)	0	0	0
Vice President	Chang, Chen-Chia (Note 3)	0	0	Not Applicable	Not Applicable
Assistant Vice President	Yu-Chi, Wang (Note 1)	(2,000)	0	0	0
Audit Manager	Ho, Cheng-Fen (Note 1)	(5,000)	0	0	0
Major Shareholder	Ares International Corp.	(135,000)	0	0	0
Major Shareholder	Wei Gu Co., Ltd.	0	0	0	0
Assistant Vice President	Chang, Ming-Jen (Note 1) (Note 2) (Note 4)	(30,000)	0	Not Applicable	Not Applicable
Assistant Vice President	I-Chen Tsai (Note 1) (Note 2) (Note 5)	(5,000)	0	Not Applicable	Not Applicable
Assistant Vice President	Liao, Chih-Hua (Note 1) (Note 2) (Note 5)	0	0	Not Applicable	Not Applicable
Assistant Vice President	Liao, Ya-Ling (Note 1) (Note 2) (Note 5)	0	0	Not Applicable	Not Applicable

Note 1: The number of shares held includes the number of shares held by such persons through the Company's trust after the subscription of the employee stock option certificates handled by the Company in 2021.

Note 2: Newly appointed as Assistant Vice President on March 1, 2023.

Note 3: On February 27, 2024, the position was adjusted to the director of market development.

Note 4: The position was adjusted to Senior Director on February 27, 2024.

Note 5: On February 27, 2024, the position was adjusted to the position of Minister.

(2) Information on the counterpart of equity transfer being a related party of the directors, managerial officers and major shareholders: None.

(3) Information on the counterpart of equity pledge being a related party of the directors, managerial officers and major shareholders: None.

9. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree)

April 1, 2024 Unit: Shares,%

Name Gender	Self Shares Held		Shares Held by Spouse & Minors		Shareholding by Nominee Arrangement total		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Company Name	Relationship	
Ares International Corp. Representative: Hung-Yang Yu	3,843,015	17.47	0	0	0	0	Nil	Nil	
	0	0.00					Nil	Nil	
Wei Gu Co., Ltd. Representative : Chin-Lung Hsu	2,682,381	12.19	0	0	0	0	Nil	Nil	
	1,030,710	4.69					Qi-Ting Hsu	The chairman of the company is its father	
Chin-Lung, Hsu	1,030,710	4.69	0	0	0	0	Wei Gu Co., Ltd.	The Company Chairman	
							Qi-Ting Hsu	Father	
Ching-Tsu Lo	731,575	3.33	0	0	0	0	Lu-Chi Chang	Spouse	
Qi-Ting Hsu	713,452	3.24	0	0	0	0	Chin-Lung, Hsu	Father	
Ching-Hui Lin	614,168	2.79	0	0	0	0	Nil	Nil	
Lu Zhen Investment Ltd. representative: Liu-Chen Huang	500,000	2.27	0	0	0	0	Nil	Nil	
	183,601	0.83	0	0	0	0	Nil	Nil	
Taipei Fubon Commercial Bank Trust Account	474,000	2.15	0	0	0	0	Nil	Nil	
Lu-Chi Chang	410,009	1.86	0	0	0	0	Ching-Tsu Lo	Spouse	
Hsing-Chen Hsieh	406,937	1.85	0	0	0	0	Nil	Nil	

10. The number of shares held by the Company, its directors, managerial officers and businesses directly or indirectly controlled by the Company in the same reinvested business, and combined to calculate the shareholding ratio of total: Not applicable.

IV. Fundraising

1. Capital and Shares

(1) Source of capital

A. Formation of share capital:

Unit: thousand shares; NT \$thousands

Year/Month	Issuance Price	Authorized Share Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Share capital Source	Capital Increased by Assets Other than Cash	Other:
88.09	10	1,400	14,000	1,400	14,000	Founding capital of NT \$14,000,000	Nil.	September 10, 1999, Bei-Shi-Jian-Shang-Er-Zi No. 88333761
88.10	10	2,000	20,000	2,000	20,000	Cash capital increase of NT \$6,000,000	Nil.	Official Letter Taipei City Construction-Commerce-II No. 88343559 on October 29, 1999
89.07	12	5,000	50,000	5,000	50,000	Capital increased by cash NT \$28,773,000, and capital increased by earnings and dividends NT \$1,227,000	Nil.	Taipei City Jian-Shang-Er-Zi No. 89308629 dated July 12, 2000
90.06	10	5,480	54,800	5,480	54,800	Capitalization of earnings and dividends NT \$4,800,000	Nil.	June 18, 2001 Taipei City Jian-Shang-Er-Zi No. 90289005
105.01	15	15,000	150,000	7,300	73,000	Cash capital increase of NT \$18,200,000	Nil.	Fu-Chan-Ye-Shang No. 10491892600 dated Jan. 13, 2016
107.09	10	15,000	150,000	8,000	80,000	Capitalization of earnings and dividends NT \$7,000,000	Nil.	September 19, 2018 Fu-Chan-Ye-Shang-Zi No. 10753882800
108.09	10	15,000	150,000	9,200	92,000	Capitalization of earnings and dividends NT \$12,000,000	Nil.	September 10, 2019 Fu-Chan-Ye-Shang-Zi No. 10853905700
109.09	10	15,000	150,000	10,000	100,000	Capitalization of earnings and dividends NT \$8,000,000	Nil.	September 26, 2020 Fu-Chan-Ye-Shang-Zi No. 10954281500
110.10	10	30,000	300,000	12,000	120,000	Capitalization of earnings and dividends NT \$20,000,000	Nil.	Fu-Chan-Ye-Shang No. 11053575220 dated Oct. 13, 2021
110.10	17	30,000	300,000	14,500	145,000	Cash capital increase of NT \$20,000,000 and exercise of employee stock options of NT \$5,000,000	Nil.	Fu-Chan-Ye-Shang No. 11054479600 dated Oct. 20, 2021
111.10	10	30,000	300,000	18,850	188,500	Capitalization of earnings and dividends NT \$43,500,000	Nil.	Fu-Chan-Ye-Shang No. 11153732710 dated Oct. 17, 2022
112.01	44.88	30,000	300,000	22,000	220,000	Cash capital increase of NT \$31,500,000	Nil.	Fu-Chan-Ye-Shang No. 11156254710 dated Jan. 7, 2023

B. Type of Shares:

April 1, 2024 Unit: Shares

Shares Type	Authorized Share Capital			Remark
	Outstanding shares	Unissued Shares	total	
Common Shares	22,000,000	8,000,000	30,000,000	OTC companies

(2) Shareholder structure

April 1, 2024

Shareholder structure Amount	Government Institution	Finance Institution	Mainland China Persons	Other: Corporate entity	Individuals	Foreign institutions and foreigners	Total
Number	0	0	0	15	3,621	10	3,646
Shares Held	0	0	0	7,550,696	14,343,178	106,126	22,000,000
Shareholding ratio	0.00%	0.00%	0.00%	34.32%	65.20%	0.48%	100.00%

(3) Shareholding Distribution Status (NT \$10 per share)

A. Diversification of Ordinary Shares

April 1, 2024

Class of Shareholding	Number of Shareholders	Shares Held	Shareholding ratio
1 to 999	960	113,231	0.52%
1,000 to 5,000	2,430	4,029,932	18.32%
5,001 to 10,000	132	1,021,836	4.65%
10,001 to 15,000	33	420,052	1.91%
15,001 to 20,000	21	382,408	1.74%
20,001 to 30,000	19	479,130	2.18%
30,001 to 40,000	11	389,000	1.77%
40,001 to 50,000	6	264,982	1.20%
50,001 to 100,000	11	814,037	3.70%
100,001 to 200,000	7	1,091,709	4.96%
200,001 to 400,000	6	1,587,436	7.22%
400,001 to 600,000	4	1,790,946	8.14%
600,001 to 800,000	3	2,059,195	9.36%
800,001 to 1,000,000	0	0	0.00%
Over 1,000,001	3	7,556,106	34.35%
Total	3,646	22,000,000	100.00%

B. Preferred Shares: Not applicable.

(4) List of major shareholders

April 1, 2024; Unit: shares; Percentage%

Name of Major Shareholders	Shares Held	Shareholding ratio
Ares International Corp.	3,843,015	17.47%
Wei Gu Co., Ltd.	2,682,381	12.19%
Chin-Lung, Hsu	1,030,710	4.69%
Ching-Tsu Lo	731,575	3.33%
Qi-Ting Hsu	713,452	3.24%
Ching-Hui Lin	614,168	2.79%
Lu Zhen Investment Ltd.	500,000	2.27%
Taipei Fubon Commercial Bank Trust Account	474,000	2.15%
Lu-Chi Chang	410,009	1.86%
Hsing-Chen Hsieh	406,937	1.85%

(5) Market Price, Net Worth, Earnings, and Dividends per Share in the Last Two Years

Unit: NT \$; Thousand shares

Item	Year		Year 2022	Year 2023
Market price per share (Note1)	Highest		53.70	219.00
	Lowest		45.65	45.60
	Average		47.75	123.47
Net Worth per Share (Note2)	Before dividend		21.85	22.11
	After appropriation		18.05	(Note 9)
Per share Surplus	Weighted Average Shares		19,022	22,000
	EPS (Note)	Before retrospective adjustment	4.81	4.07
		After retrospective adjustment	4.72	(Note 9)
Per share Dividends	Cash Dividends		3.8	(Note 9)
	Free Share allotment	Surplus allotment	—	—
		From capital surplus	—	—
	Accumulated Undistributed Dividends (Note 4)		—	—
Investment report Remuneration analysis	Price/Earnings Ratio (Note5)		9.93	—
	Price/Dividend Ratio (Note6)		12.57	—
	Cash dividend yield (Note 7)		0.08	—

* If shares are distributed in connection with a capital increase out of earnings or capital

reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year.

Note 2: Please fill these rows based on the number of shares that have been issued at the end of the fiscal year and the distribution to Resolution in the subsequent fiscal year.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 4: If the terms and conditions under which the equity securities are issued provide that the stock dividend retained in the year may be accumulated until the year in which there are allocable earnings available, please disclose the retained stock dividend accumulated until the then year.

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

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

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the year.

Note 8: The net value per share and earnings per share should be filled in with the information audited (reviewed) by the accountant in the most recent quarter as of the publication date of the annual report; The remaining fields shall be filled in with the information of the current year as of the publication date of the annual report.

Note 9: The 2023 surplus distribution case was approved by the board of directors of Resolution on February 27, 2024, but has not yet been approved by the general shareholders' meeting.

(6) Dividend Policy and Implementation Status:

A. Dividend Policy of Articles of Incorporation

If there is a surplus in the Company's annual final accounts, it should first pay taxes to make up for accumulated losses, and then set aside ten percent as a legal reserve. However, if the legal reserve has reached the paid-in capital, it is not subject to this limit. In addition to appropriating or reversing special reserve in accordance with the law or the regulations of the competent authority, if there is still a surplus, together with the accumulated undistributed surplus, the board of directors shall propose a surplus distribution proposal and submit it to the shareholders' meeting Resolution for distribution.

The Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international competitive conditions while simultaneously meeting shareholders' interests. Each year, no less than 10 percent of the current year's distributable earnings, if there is a loss for the year or there is a surplus in previous years, may be distributed as dividends. However, if the accumulated distributable earnings in a given year are less than 10 percent of the Company's paid-in capital, no dividend shall be distributed to shareholders. Dividends to be distributed to shareholders may be distributed in the form of cash or shares, provided that the amount of cash dividends shall not be less than ten percent of total dividends.

B. Dividend proposed (distributed) for the year

The Company's 2023 earnings distribution proposal was approved by the Board of Directors of Resolution on February 27, 2024 as follows:

Unit: NT \$	
Item	Amount
Undistributed earnings at the beginning of the period	8,529,642
Add: Net profit after tax for the year	89,432,444
Add: Changes in remeasurement of defined benefit plans	(101,866)
Less: Legal reserve	(8,933,058)
Earnings available for distribution	88,927,162
Less: Distribution of Item	
Cash dividend (NT \$3.8 per share)	(83,600,000)
Undistributed earnings at the end of the period	5,327,162

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(8) Remuneration to employees and directors

A. Percentages or ranges of remuneration of employees and directors under Articles of Incorporation

If the Company makes a profit during the year, it shall set aside ten percent to fifteen percent as remuneration for employees and no more than three percent as remuneration for directors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees' compensation may be distributed in the form of shares or in cash, and the eligible employees may include the employees of the Company's controlled or affiliated companies who meet certain criteria, which the Board of Directors is authorized to decide; Directors' remuneration shall be paid in cash only.

The distribution of remuneration to employees and directors shall be approved by the Board of Directors with more than two-thirds of the directors present and more than half of the directors agree, and shall be reported to the shareholders' meeting.

B. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The remuneration of employees and directors of the Company is estimated based on the profitability of the current year and the percentage range specified in the Articles of Association.

If there is a difference between the estimated amount and the actual distribution amount of the board of directors Resolution, it will be regarded as a change in accounting estimates and will be included in the profit and loss of the following year.

C. Remuneration distribution approved by the Board of Directors

- (A) The amount of any employee compensation distributed in cash or stocks and compensation for Directors. 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.

On February 27, 2024, the Board of Directors of the Company approved NT \$16,816,301 for employee remuneration and NT \$1,440,000 for director remuneration. The above amounts are paid in cash, and there is no difference with the recognized annual estimated amount.

- (B) 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 for the current period and total employee compensation total: 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.

The Company's proposal for the distribution of remuneration to employees, directors and supervisors was approved by the Board of Directors on February 24, 2023, Resolution, and submitted to the shareholders' meeting on June 9, 2023. The actual remuneration distributed to employees, directors and supervisors was NT \$15,794,534 and NT \$1,402,903, respectively, which was consistent with the amount reported to the shareholders' meeting.

- (9) Buyback of Treasury Stock: None.

2. Issuance of corporate bonds: None.

3. Preferred Shares: None.

4. Issuance of Global Depository Receipts: None.

5. Employee Stock Options

(1) Unexpired employee stock option certificates: None.

(2) managerial officers and the names, acquisition and subscription of the top ten employees who have obtained the employee stock option certificate and the number of the warrants

April 30, 2024												
	Job Title	Name Gender	Number of stock options acquired	Ratio of the number of acquired subscription shares to the total number of issued shares	Executed			Not yet executed				
					Number of stock options	Subscription price	Subscription amount	Ratio of the number of warrants to the number of issued shares	Recognition Shares Number Volume	Recognition Shares price Qualification	Recognition Shares Funds Amount	Ratio of the number of warrants to the number of issued shares
managerial officers	Executive Vice President	Chen, Hsin-Yi	202,000	1.39	202,000	17	3,434,000	1.39	-	-	-	-
	Vice President	Ching-Tsu Lo										
	Vice President	Han-Lin, Li										
	Vice President	Nai-Jen, Cheng										
	Assistant Vice President	Yu-Chi, Wang										
	Audit Manager	Cheng-Fen Ho										
Employees	Senior Director	Ming-Jen Chang	149,000	1.03	149,000	17	2,533,000	1.03	-	-	-	-
	Director	Ching-Sung Shen										
	Director	Chun-Kai Chiu										
	Director	Jin-Sheng Chen										
	Minister	Liao Zhihua										
	Minister	Yi-Chen Tsai										
	Minister	Ya-Ling Liao										
	Senior Manager	Lung-Hui Chang										
	Manager	Shi Fengmei										
	Senior System Consultant	Yu-Fang Chien (Note)										

Note: The employee left the job on October 31, 2023.

6. **Issuance of New Restricted Employee Shares:** None.

7. **Status of New Share Issuance in Connection with Mergers and Acquisitions:** None.

8. **Financing Plans and Implementation**

(1) Content of the plan

A. Approval date and document number: Taipei Exchange Letter No. Zheng-Gui-Shen-Zhi 11100130823 dated December 13, 2022 agreed to sell the stock payment certificate to TPEx first on December 14, 2022.

B. Total funds required for the plan: NT \$141,372,000.

C. Fund source

Cash capital increase by issuing 3,150,000 new shares, with a par value of NT \$10 per share. The minimum underwriting price of the bidding auction is capped at NT \$40 per share, which is the average of the transaction prices of the 30 business days before the Emerging Stock Board is listed in the bidding and auction agreement declared by the Securities and Commercial Association of the Republic of China after deducting free allotment (or capital reduction ex-rights) and ex-dividends. The bid will be given priority according to the bidding price. Each bidder shall subscribe at the bidding price. The total amount of the bid won in the bidding auction is NT \$96,178,000. The underwriting price of public subscription is based on the price of the bid and the weighted average price of NT \$44.88, which is not higher than the upper limit of the underwriting price set by the Company and the securities firm recommended by the lead underwriter. Therefore, the underwriting price of public subscription is issued at a premium of NT \$44.88 per share, which is the average bid price. In addition, NT \$45,194,000 was raised through public subscription and employee subscription, and the total amount raised in this capital increase was NT \$141,372,000.

D. Item and progress of fund utilization

Unit: NT \$thousands

Item	Estimated Completion Date	Funds required Total Amount	Predetermined fund utilization plan	
			2022Q4	2023Q1
Enrich operations Funds	2023 Q1	141,372	50,000	91,372

E. Expected benefits

The Company has raised NT \$141,372,000 from this project, which is expected to be fully used to enrich working capital. Considering the long-term development and future growth of the Company, the use of working capital required for the continuous growth of the operating scale can increase the long-term capital stability of the Company, which is positive to the overall operating development and strengthen the financial structure of the Company.

(2) Implementation

Unit: NT \$thousands; Percentage%

Item	Implementation Status		4Q22	2023 Q1	Reasons and Improvement Plans for Leading or Behind the Project Schedule
Enrich operations Funds	Used Amount	Scheduled	50,000	91,372	It has been fully implemented as planned in the first quarter of 2023.
		Actual	50,000	91,372	
	Execute Progress	Scheduled	35.36%	64.64%	
		Actual	35.36%	64.64%	

V. Business Overview

1. Business Activities

(1) Scope of business:

A. Main contents

- (A) F118010 Wholesale of computer software
- (B) F218010 Retail sale of computer software
- (C) I301010 Information Software Services
- (D) I301020 Data processing services
- (E) I301030 Electronic Information Supply Services
- (F) F113050 Wholesale of Business Machinery and Equipment
- (G) F213030 Retail Sale of Business Machinery Equipment
- (H) F109010 Wholesale of Books
- (I) F209010 Book and Stationery Retail
- (J) F301030 General Department Store
- (K) F601010 Intellectual Property
- (L) I601010 Leasing
- (M) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

B. Proportion of business:

Unit: NT \$thousands

Year	FY22		FY23	
	Amount	Percentage (%)	Amount	Percentage (%)
Main products				
Sale of computer software	1,368,233	92.65	1,459,532	91.29
Service and maintenance income	108,533	7.35	139,247	8.71
Total	1,476,766	100.00	1,598,779	100.00

C. Current products of the Company Item and new products planned to be developed

(A) Item

a. Distribution of products

Based on the infrastructure software required for enterprise application system development, the Company distributes world-class leading brand products, actively integrates solutions in various fields and develops service processes and introduction methods suitable for the characteristics of the industry, assists enterprise customers to smoothly carry out digital transformation, enhances the competitiveness of enterprise customers in the industry, and actively plans overall software development, application architecture, middleware (AIM) software, information system operation efficiency management software and information security software, cloud application infrastructure software and other solutions from the perspective of enterprise users, and tailors introduction services and professional

consulting for enterprises to meet their needs to improve the application value of the overall solution. The products distributed by the Company are as follows:

Agency Brands	Product Application Description
Oracle (Oracle)	Database, cloud services, application servers, enterprise application software
SAP (SAP)	Database, enterprise application software
Quest	Database performance monitoring software, application system development software, Windows infrastructure management software
Instana	Container and cloud application system performance monitoring software
CISCO AppDynamics	Application system performance monitoring software
Automation Anywhere	Robotic process automation (RPA)
One Identity	Information security software
Rancher	K8S container management platform
Apppeon	Simplify and accelerate enterprise application software development
WhiteSands	Database performance monitoring software

In terms of professional integration and consulting services, in addition to the Company's needs for the above-mentioned distribution of software products, enterprises also need professional and complete system planning, construction and deployment, maintenance, and other technical consultation and customized services in the implementation of network and application system development. The Company's service team has world-class original factory certifications such as Oracle and SAP, and is proficient in NT, Unix, Linux and other cross-platform operating systems to integrate the product technology capabilities of the original manufacturer and rich practical experience in software development and system integration, and assist enterprise customers to achieve the goal of digital transformation quickly and correctly.

Information products and services are indispensable elements for enterprises' digital transformation to improve production efficiency, increase competitiveness, and their continuous growth. The Company assists enterprises to customize various information products and services distributed into information solutions according to their own needs, including providing internal process planning, application software introduction, post-introduction management and maintenance after-sales services, and providing cloud computing capabilities and huge data management services. After introducing various information products to customers through overall planning, professional technical capabilities are provided to continue after-

sales service. Therefore, in the pursuit of the best overall information solution for enterprises, the integration of various information systems is improved to improve efficiency, and the demand for information solution customization and maintenance technology is relatively advanced, it is less likely to be replaced by other products or services.

b. Own products and services

(a) Group Consolidated Products

Product	Description of Function
GCRS Group Consolidated financial statement system	<ol style="list-style-type: none"> 1. Automatically carry out "shareholder's equity" and "internal transactions" consolidated and write-off. 2. Rapidly generate audit reports and internal transaction statements of subsidiaries' trial balance data. 3. The consolidated working papers and consolidated financial statements required for the audit by the accounting firm are in place. 4. Support changes in corporate organization, equity changes, and a variety of internal trading portfolios. 5. Strong data articulation and audit traceability.
EZSO	<ol style="list-style-type: none"> 1. Corporate data collection platform, flexible and customizable data collection format and output style for financial notes. 2. Understand and amend data errors in real time through the establishment of data articulation rules in the notes to the financial statements. 3. Automatic data currency conversion and total to reduce data integration time. 4. Supports flexible combination of multiple data sources, generates audit retrospective financial note worksheets and compiles data statements.
EZPI	<ol style="list-style-type: none"> 1. Creating a financial statement platform that supports financial statements in all languages. 2. Obtain the data source from EZSO, automatically apply the "Template of Documents" to quickly generate financial statements. 3. Equipped with EZSO your access system to provide complete data auditing, without any need for concern about data quality.

(b) ESG Application Products

Product	Description of Function
CarbonKeeper Carbon Butler-Carbon Inventory System	<ol style="list-style-type: none"> 1. Collect greenhouse gas inventory data from multiple companies and multiple fields. 2. Provide a flexible and customizable format of data collection for greenhouse gas inventory. 3. Provide users with the formula for setting their activity data according to different emission sources. 4. Calculation drafts of greenhouse gas emissions can be produced for different reporting purposes. 5. Provide a variety of dashboards so that users can keep up with the analysis data.

(B) New products planned for development

a. Optimization of system functions of the Group's consolidated statement solution

The R & D unit of the company records the feedback and suggestions of the Group's consolidated report system customers' use of products, and occasionally launches updated versions to optimize user experience and operational efficiency. The current release of the product version of the Group's consolidated reporting system has completed the development of the common needs of most customers, and only the detailed optimization of local system functions is required in the future, gradually meeting customer expectations and improving the adherence of customers using the product.

b. Optimization of system functions of carbon butler CarbonKeeper

At present, the function development of the carbon inventory system product has been completed. In the future, in addition to continuing to optimize the functions of the organization's carbon inventory system products, it will also increase the development of product carbon footprint and carbon inventory target management and other functions, so that corporate customers can better understand the net zero path through the help of information software in the transformation process of net zero emissions, in order to respond to government policies and smoothly promote the "sustainable development path map of listed companies", and assist companies to achieve the international carbon neutrality trend and ESG pre-set goals in a timely and efficient manner.

(2) Industry overview

A. Current status and development of the industry

In 2024, the information software and service market in taiwan will continue to develop in the direction of cloud computing, information security, data management, and focus on sustainable operation and carbon rights management. these trends reflect the needs of technological innovation and service model transformation, and adapt to increasingly complex business needs. information software provides key tools to improve operational efficiency and data security. information services focus on providing professional it solutions, including cloud infrastructure and digital transformation strategies, and integrate esg principles to achieve sustainable development goals.

With the increasing demand for digital transformation, there will be a new trend in the definition of information software and information service market. Information software mainly provides users with the necessary software products, including enterprise application software, information security tools, database management systems, and software development tools. These tools play a key role in improving enterprise operational efficiency, ensuring data security, and developing and deploying new technology solutions. At the same time, the environmental, social and governance (ESG) principles are integrated. The information software will help enterprises achieve sustainable development goals, support environmental impact assessments through enhanced data analysis, and improve governance and social responsibility processes.

In contrast, information services will focus more on providing comprehensive and professional IT solutions, including services such as cloud infrastructure construction, customized services, business process optimization and digital

transformation strategy consulting. With the advancement of technology and the increasing demand for sustainable solutions, we will pay more attention to how to serve to enhance the value of customers, and integrate the birth-oriented AI technology and the principle of sustainable development of ESG transformation into services to help companies obtain long-term competitive advantages.

(A) Global Software and Information Service Market Overview

By 2024, the global software and information service market will grow significantly, mainly driven by technological advances and the increasing adoption of digital transformation strategies by various industries. According to Gartner's forecast, global IT spending is expected to reach US \$5 trillion, an increase of 6.8% over 2023. This growth was partly attributable to investments in technology, especially in cloud computing and information security. (Figure 1).

Figure 1: Forecast of global IT expenditure from 2023 to 2024

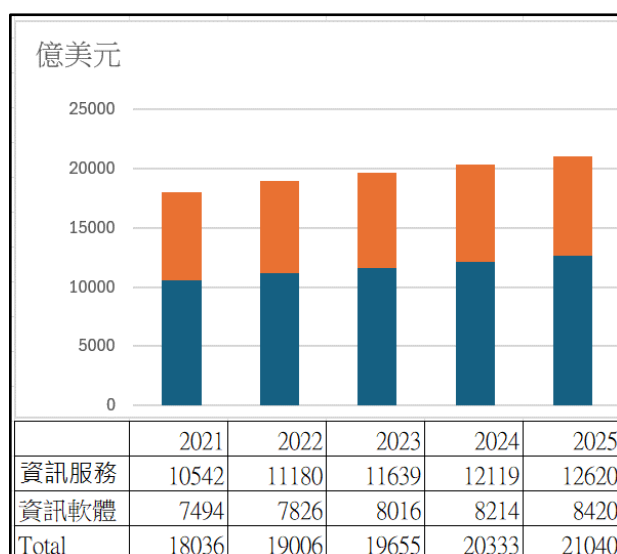
Unit: US \$million

	2023 expenditure	2023 Growth Rate (%)	2024 expenditure	2024 Growth Rate (%)
Data Center System	243,063	7.1	261,332	7.5
IT equipment	699,791	-8.7	732,287	4.6
Software	913,334	12.4	1,029,421	12.7
IT services	1,381,832	5.8	1,501,365	8.7
Communication services	1,440,827	1.5	1,473,314	2.3
total	4,678,847	3.3	4,997,718	6.8

Source: Gartner (January 2024)

In the information software and information service market, MIC estimated that the market size will grow from US \$1.8tn in 2021 to US \$2.1tn in 2025, with a compound annual growth rate of 4.3%. Due to the changes in global regional risks and fiscal policies and the risk of climate impact, from the vertical perspective of the industry, the demand for software in the fields of IT and telecommunications, retail, health care, and financial services are increasing. These industries will need to manage and analyze large amounts of data, improve customer service efficiency, and optimize operations and supply chain management, all of which will require the assistance of information software and information services. (Table 2)

Figure 2: Global Information Software and Service Market Size

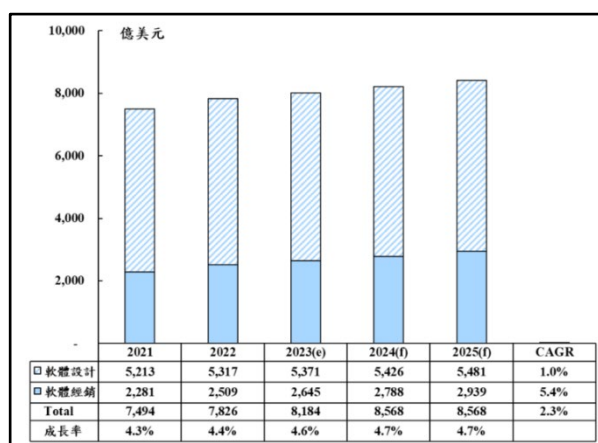


Source: MIC 112 Information Software and Service Industry Yearbook

a. Information software market

In the diversified landscape of the global software market, with the rapid development of cloud services, the rapid innovation and update of mobile application software, the increasing popularity of the Internet of Things and the addition of sensing devices in response to various situations, the further integration of energy-saving technology and AI has promoted market innovation, made software solutions more diversified and efficient, and demonstrated market activity and forward-looking technology. These factors have jointly contributed to the bright future of the software market. It is estimated that the global software market will jump from US \$18,036 in 2021 to US \$2,104,000,000,000 in 2025, showing a strong compound annual growth rate. This growth not only reflects the active and diversified market, but also the direct result of new technology innovation and application expansion. With the emergence of more innovative technologies and the expansion of application scenarios, the global software market is expected to continue to maintain a steady growth momentum.

Figure 3: Global information software market size



Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

With the increasing digitization of enterprises, the data to be processed is rapidly expanding, and the initial data management mode is too simple and the elasticity is not sufficient. In addition to providing basic data storage functions, the database can also solve the problems of data integrity, consistency and security, and is also the basis of derivative AI training data. IDC estimates that the global database market size is expected to exceed US \$40,000,000,000 in 2022, including related database (RDBMS). SQL stands for about 80%. Oracle accounts for about 42% of the global database.

As shown in the following two charts (Figure 4 and Figure 5), DB-Engines statistics Oracle (Oracle) and MySQL have maintained a dominant position in the relational database in the past ten years.

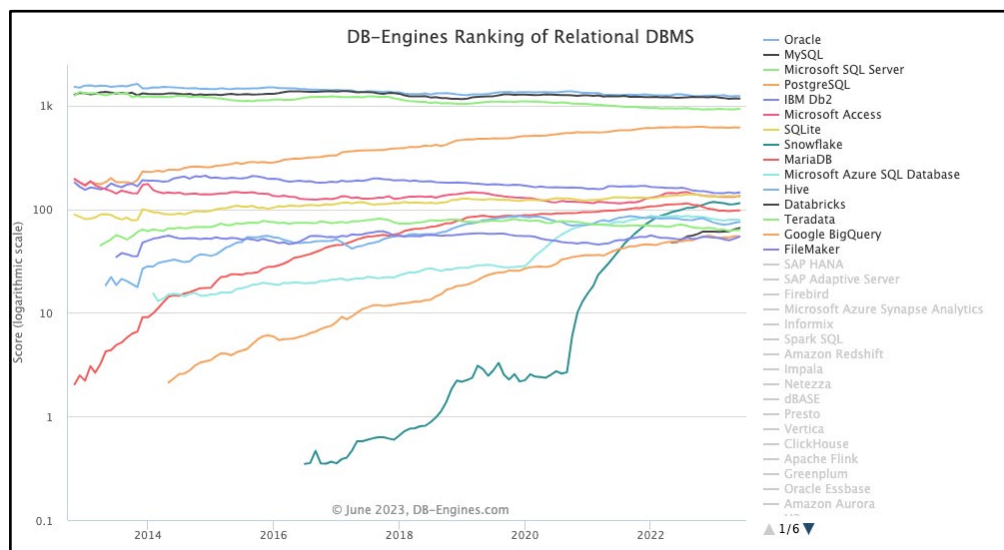
Figure 4: Ranking of related database

415 systems in ranking, May 2023

Rank	Rank			DBMS	Database Model	Score		
	May 2023	Apr 2023	May 2022			May 2023	Apr 2023	May 2022
1.	1.	1.		Oracle 📈	Relational, Multi-model 📄	1232.64	+4.36	-30.18
2.	2.	2.		MySQL 📈	Relational, Multi-model 📄	1172.46	+14.68	-29.64
3.	3.	3.		Microsoft SQL Server 📈	Relational, Multi-model 📄	920.09	+1.57	-21.11
4.	4.	4.		PostgreSQL 📈	Relational, Multi-model 📄	617.90	+9.49	+2.61
5.	5.	5.		MongoDB 📈	Document, Multi-model 📄	436.61	-5.29	-41.63
6.	6.	6.		Redis 📈	Key-value, Multi-model 📄	168.13	-5.42	-10.89
7.	7.	7.		IBM Db2	Relational, Multi-model 📄	143.02	-2.48	-17.31
8.	8.	8.		Elasticsearch	Search engine, Multi-model 📄	141.63	+0.56	-16.06
9.	9.	10.	📈	SQLite 📈	Relational	133.86	-0.68	-0.87
10.	10.	9.	📉	Microsoft Access	Relational	131.17	-0.20	-12.27
11.	12.	14.	📈	Snowflake 📈	Relational	111.73	+0.60	+18.22
12.	11.	11.	📉	Cassandra 📈	Wide column	111.14	-0.67	-6.88
13.	13.	12.	📉	MariaDB 📈	Relational, Multi-model 📄	96.87	+0.93	-14.26
14.	14.	13.	📉	Splunk	Search engine	86.64	+1.20	-9.71
15.	16.	16.	📈	Amazon DynamoDB 📈	Multi-model 📄	81.11	+3.66	-3.35
16.	15.	15.	📉	Microsoft Azure SQL Database	Relational, Multi-model 📄	79.19	+0.13	-6.14

Source: DB-Engines, May 2023

Figure 5: Ranking of the related database in the last ten years



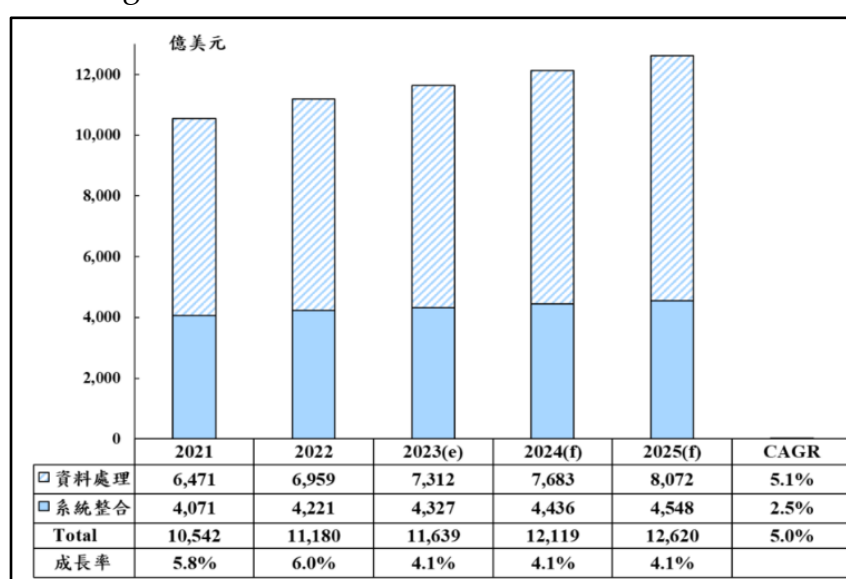
Source: DB-Engines, October 2023

b. Information Service Market Overview

With the acceleration of digital transformation, the global information

service market is expected to continue to grow in 2024, especially in the field of cloud computing and big data, the integration of AI technology, especially in the Internet of Things and big data processing, will become the key driving force for market growth. The increasing demand from governments and enterprises for business expansion and upgrading of information technology infrastructure will provide strong support for business expansion and information technology infrastructure upgrading. In addition, the application of the Internet of Things and the generation of huge amounts of data are likely to become new drivers of market growth. According to MIC estimates, the global information service market will grow from US \$1,054,200,000,000 in 2021 to US \$1,262,000,000,000 in 2025, with a compound annual growth rate of 5.0% (Figure 6).

Figure 6: Global information service market size



Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

(B) Overview of software and information service market in Taiwan

The software and information service market in Taiwan in 2024 showed the characteristics of deepening and expanding digital transformation, rapid growth of digital economy, and integration of sustainable development and digital technology, reflecting the impact and opportunities of global digital trends on Taiwan's local market. These highlights highlight the strategic direction and development focus of Taiwan in the face of global digital challenges. The following are highlights and key points:

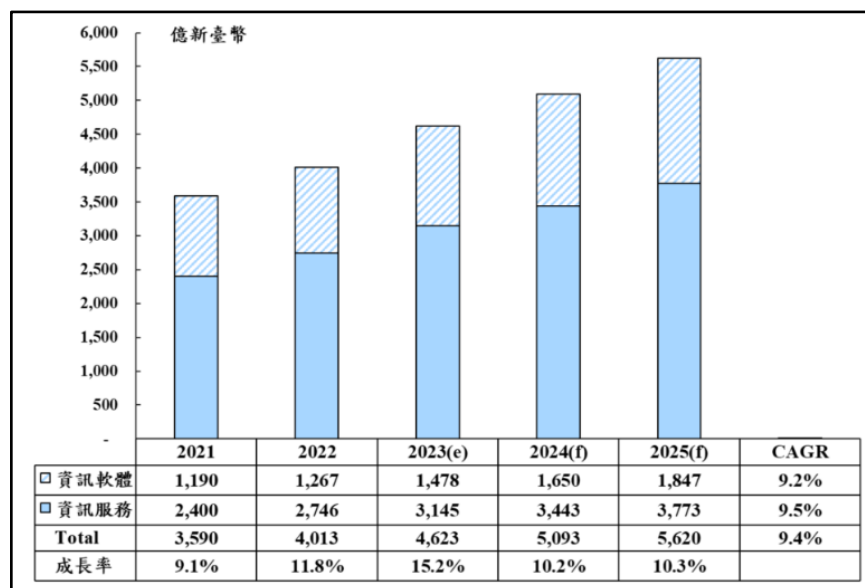
- Accelerate digital transformation: With the acceleration of global digitalization, Taiwanese companies are quickly adapting to this change, using digital technology to innovate their business models and operating methods to improve efficiency and competitiveness.
- Growth of the digital economy: Taiwan's digital economy continues to expand, especially in the digital service industry, indicating that digital services will become the main force driving economic growth.
- Facing structural challenges: while pursuing digital transformation, Taiwan is also facing structural challenges such as talent shortages and technology and

strategy inconsistencies. These problems are not only solved through policy adjustments and industrial efforts, but also require digital transformation to assist in the use of manpower.

- Enterprise digital transformation strategy: Taiwanese enterprises are actively building digital transformation strategies, focusing on innovation, operational efficiency, data security and trust, and sustainable development, and striving to stand out in the fierce market competition.
- Sustainable and digital transformation: In the context of global climate change and environmental protection, Taiwanese companies combine sustainable development and digital transformation, and achieve a win-win situation for the environment and economy through innovative solutions.
- Emergence of Generative AI: This AI can automatically generate new and pre-existing content based on a large amount of data, bringing unprecedented application possibilities to all industries, thus driving digital transformation into a new stage and creating more value for enterprises.

It is estimated that the output value of Taiwan's information and software industry will grow from NT \$359,000,000,000 in 2021 to NT \$562,000,000,000 in 2025, with a compound annual growth rate of 9.4% (Figure 7).

Figure 7: Market Size of Information Software and Service in Taiwan

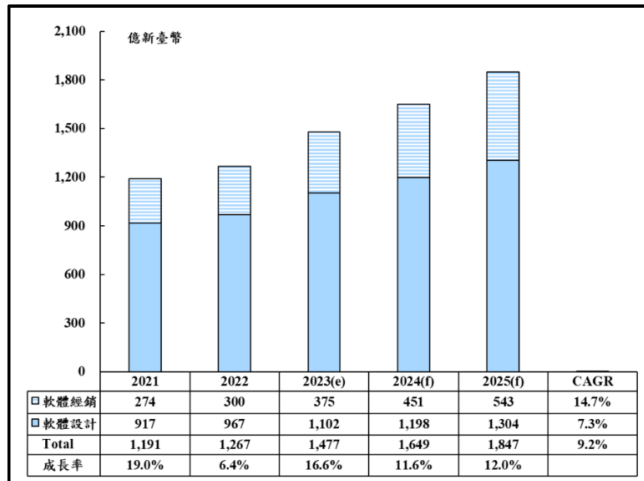


Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

a. Information software market

With the accelerated development of AI technology, Taiwan is witnessing a wave of enterprise transformation and reshaping, especially in the pursuit of net zero carbon emissions. With the increasing maturity of technology and innovation such as ChatGPT, which has triggered a wide interest in AI applications, this transformation not only drives the demand for AI platforms and data analysis tools, but also marks that enterprises are moving towards a more environmentally friendly and data-driven future, showing how technology can help achieve the goal of sustainable development.

Figure 8: Market Size of Information Software in Taiwan



Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

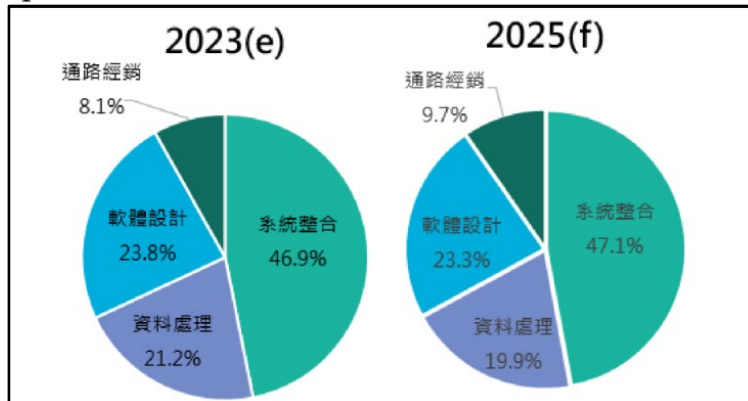
b. Information Service Market Overview

As shown in the chart below, we observed a slight increase in the market share of channel distribution, a stable market share of software design, and a decrease in the market share of data processing from 2023 to 2025. This market trend may reflect the popularity of automation and data-driven decisions, which implies that the market is pursuing more closely integrated and automated software solutions.

In addition, this may mean that companies are seeking innovation in channel distribution to improve sales and distribution efficiency. In terms of software design, the stability of maintaining market share indicates the maturity of products in this field and the stable demand of the market. Although the relative share of data processing has decreased, it does not necessarily mean an absolute decline in market demand, but may result from a change in the relative allocation of market share due to the rapid growth of other services, such as cloud services.

In the face of these trends, we will continue to monitor market changes and adjust our business strategies and product mix in a timely manner to ensure that we remain competitive in the dynamic market.

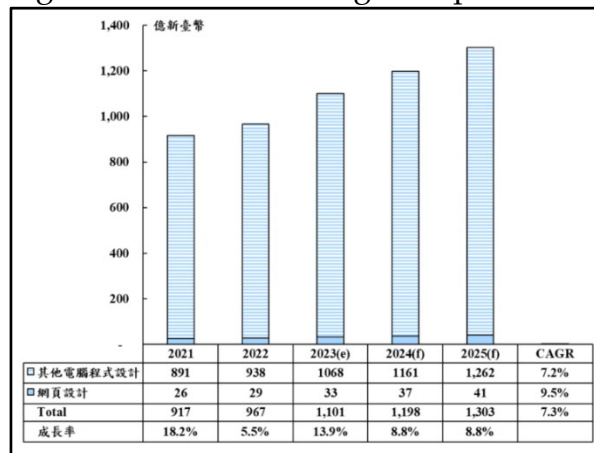
Figure 9: Composition of Taiwan's information software and service market



Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

(a) Software Design Output in Taiwan

Figure 10: Software Design Output Value in Taiwan



Source: MIC Ministry of Economic Affairs ITIS Research team, September 2023

As shown in the above chart, MIC estimated that the software design output value in Taiwan will grow from NT \$91,700,000,000 in 2021 to NT \$130,300,000,000 in 2025 (Figure 11). The software design market in Taiwan is mainly driven by the continuous demand of large enterprises, including the expansion, upgrading and periodic update of information systems. Application software has received attention due to smart manufacturing and MES construction, and will further strengthen information security and database management, especially in the processing of big data and cloud computing. The information security market continues to rise with the expansion of IoT applications. Looking forward to the future, the market value of the software design industry is expected to grow, and computer software design will account for the majority of the market. Driven by core businesses such as program development and maintenance, AI applications will promote the transformation of the software design market to Web3. 0, cloud platform and adapt to the trend of remote work, opening more opportunities for innovation and efficiency improvement.

(b) Taiwan Cloud Service Market

Figure 11: The market scale of cloud software in Taiwan



Source : IDC Semiannual Software Tracker, 22 H2, May 2023

With the advancement of artificial intelligence technology and the acceleration of digital transformation, and the lifting of digital restrictions in the financial industry, Taiwan's cloud market is expected to experience

significant growth. It is predicted that the market size will grow from US \$2,570,000,000 in 2022 to US \$4,133,000,000 in 2027, representing a compound annual growth rate of 16.8%. This growth trend not only highlighted the huge potential of the information security as a service market, but also provided a powerful driving force for the diversified applications of cloud services. These changes reflect enterprises' urgent need to enhance network security, comply with compliance norms, and innovate business models through the use of artificial intelligence.

(C) Current status and development of industries related to proprietary products

a. Financial statement software industry

According to the blueprint released by the Financial Supervisory Commission, listed companies should disclose the information required by the IFRS sustainable disclosure standards in the "Annual Report of Shareholders". Although it is not disclosed in the current investor's most concerned "financial report", since the information required by the IFRS sustainable disclosure standards must be announced simultaneously with the financial report, it will jointly affect the publication of the annual report of shareholders in advance to the latest three months or 75 days after the end of the year, which attracts the attention of listed companies and investors.

The so-called sustainability-related financial disclosures refer to information that can reasonably be expected to affect the cash flow of standard-alone in the short, medium or long term, and its sustainability-related risks and opportunities that can impact the availability of funds or the cost of funds, including governance, strategy, risk management, as well as indicators and goals. In short, if only information on the financial statements of the enterprise is concerned in the past, it can only understand the historical information of the enterprise on assets, liabilities, equity, income and expenses. However, sustainable related financial disclosures that need to be paid attention in the future are not limited to historical information, but also cover the interaction between the resources and relationships of the enterprise and the overall value chain, and the financial impact of these interactions on the enterprise in the foreseeable short, medium and long term. In other words, sustainability-related financial disclosures cover a wider range, including the environment in which the enterprise operates, the natural resources on which it relies, and the relationships with suppliers and customers.

b. Carbon management platform software industry

On March 3, 2022, the Financial Management Committee announced the sustainable development plan for listed companies, which includes the phased carbon emission disclosure and third-party verification requirements. The strategy adopted by the government is to guide large enterprises to comply with the regulations, and then drive relevant enterprises across the supply chain to follow up. It is expected that nearly 200,000 enterprises will demand relevant software to cope with these new regulations. The Company has developed a carbon management platform software, "Carbon

Housekeeping CarbonKeeper", to assist listed companies in completing carbon inventory, and to promote the "Sustainable Development Roadmap for Listed Companies" in line with government policies, in order to create new momentum for continuous growth and promote the realization of sustainable development goals.

B. Correlation with Upstream, Midstream, and Downstream Sections of the Industry

The information service industry can be divided into upstream application/system software design and development manufacturers, midstream agents and distributors, and channel operators and downstream end users (as shown in the figure below).

Type	Software	Upstream	Midstream	Downstream
Design and development of application software and provision of services	Financial statement products ESG Carbon Inventory System	Power	Agency distributors/ Accounting manager	End users
Distribution of information software and original service	Products distributed domestically and internationally	Software Manufacturers	Power	End users
Rendering of services	Products distributed domestically and internationally	Software Manufacturers	Power	End users

The Company is actively responding to the trend of digital transformation in recent years and the changes in the self-edited specifications of financial reports. Through continuous investment in the research and development of financial report preparation software and ESG carbon emission inventory system, the Company is strengthening its leading position in the field of application software development, especially in the upstream of the information service industry. In addition, the Company not only purchases software licenses and services from major international suppliers, but also expands its business to downstream, acting as a distribution channel to promote the contact of end users of products and services. As part of the midstream of the information service industry, we provide system integration and data processing services to our customers, as well as professional technical support to ensure that our customers can fully utilize the solutions we provide.

C. Various development trends of products

With the vigorous development of emerging technologies such as 5G, Internet of Things, artificial intelligence and machine learning, today's IT infrastructure has also expanded from core, cloud to edge, and COVID-19 has hit the global economy and brought a new norm of work and life at the same time, so more personnel and more devices rely on the Internet to obtain services. This drives enterprises to provide more flexible network bandwidth, computing resources and data space to realize the infrastructure to be cloud, platform to be cloud, and business development to be cloud. However, with the increasing number of devices connected and transmitted data and user applications, it also brings more

information security breaches and information security risks. Therefore, enterprises must also make every effort to strengthen the security of information to ensure the smoothness of services and make applications accessible. According to statistics, only less than three enterprises in the world can successfully transform on the road of digital transformation, because during the transformation, traditional and new systems coexist in the problem of resource sharing, and there is a large amount of resources and services available from time to time for the data center. The bottom of the system also needs large-scale standardization, virtualization, integration, intelligence and high automation, which is a complex and challenging journey for general enterprises.

As a top technical consultant, the Company is committed to solving IT problems for enterprise customers and enhancing enterprise competitiveness, laying the foundation for flexible and agile transformation of enterprises, providing an ultra-integrated infrastructure to lead the data center towards software definition, allowing the enterprise application environment to be centralized and connected to the hybrid cloud of the ground and the cloud, or 5 G MEC in the edge field, all of which can efficiently extract the value of data, find an efficient business model for enterprises to maintain competitiveness, can be introduced from the most small scale, and gradually expanded to the ideal mode of the future, and provide a full range of information security services, from LOG analysis and storage management to the introduction of information security architecture in the new era, whether it is the ground cloud or hybrid architecture, all of which can provide real-time data backup and offline backup products and comprehensive solutions in response to various threats. It allows IT personnel to focus on more meaningful work, reduce the management pressure of IT maintenance and operation, and help companies implement DevOps.

The software of the financial report solution is to assist enterprises to prepare Consolidated Financial Statements and disclose financial note Item through information software products, and to produce the "financial report". The software products include the following systems:

- (A) GCRS Group Consolidated Reporting System: Automatic "Shareholders' Equity" and "Internal Transactions" Consolidated and eliminated, and produce Consolidated Financial Statements.
- (B) EZSO Help You: customize the data collection format in the "Notes to Financial Statements" and support flexible combination of multiple sources of information to produce financial note working papers and note statements that can be audited retrospectively.
- (C) EZPI scheduling: The template of the financial report is matched with the "GCRS Group Consolidated Financial Statements System" and "EZSO Handling Your Revenue", which eliminates cumbersome settings and quickly produces financial reports.

The current product development is mainly based on software licensing, and the future development trend will be combined with the product architecture of the "subscription system" and develop applications in the cloud environment.

D. Competition

The Company's products are mainly software agents of international brands and the Company provides its own products and services. The Company's financial statements and carbon rights product competition are analyzed by SWOT and 5-force analysis as follows:

(A) SWOT Analysis

Item	Analysis
Advantage	<p>The Company has the GCRS system and carbon butler system under IFRS, focusing on accounting, consolidated financial reporting, climate change policy and carbon market. These systems position us at the forefront of current and future carbon emissions regulations and market dynamics, especially in the context of a global and local transition to a low-carbon economy, where our expertise and solutions have significant competitive advantages. Through our GCRS and carbon butler systems, we not only support enterprises to meet the requirements of accuracy and transparency in financial reporting, but also help enterprises effectively manage carbon emissions, and realize strategic positioning in the carbon market, further promoting their sustainable development strategies and low-carbon transformation goals.</p>
Weaknesses	<p>In the Taiwan market, the preference for international brand software is especially prominent, especially among the top 100 large enterprises in the country. In order to attract such customers more effectively, we will enhance our brand appeal by increasing our market share, thereby encouraging our customers to adopt our products and services. For a group of companies with a small number of consolidated entities, their sensitivity to prices is relatively high, and they tend to use manual operations to reduce costs. For this customer base, we will launch a "subscription-based" sales model to attract them with flexible pricing options and cost-effective services to meet their cost control needs and also promote market penetration of our products. This differentiated market strategy will enable us to more accurately meet the needs of different types of customers and stand out in a highly competitive market.</p>
Opportunities	<p>On June 26, 2023, International Sustainability Standards Board issued two innovative sustainability disclosure standards: S1 "General Requirements for the Disclosure of Sustainability-Related Financial Information" (IFRS S1) and S2 "Climate-Related Disclosure" (IFRS S2). These standards aim to require companies to fully disclose the impact they may have on a company in the short, medium and long term regarding their sustainability and climate-related risks and opportunities. In response to this international dynamics, on August 17, the Financial Supervisory Commission released the "Blueprint for Compliance with IFRS Sustainability Disclosure Guidelines", which clearly stated that Taiwan's listed and OTC companies will fully comply with IFRS sustainability disclosure standards in stages based on the size of capital. 2026 is the starting year for the formal implementation of</p>

Item	Analysis
	the standard. Companies with GCRS and carbon butler systems are therefore at the forefront of following this trend and market demand. The existence of these two systems not only allows the Company to comply with international and local regulatory trends, but also provides the Company with competitive advantages in sustainability and climate change disclosure.
Threats	<p>International Financial Reporting Standards (IFRS) and carbon rights standards and markets are experiencing rapid development and evolution, which reflects the increasing global attention to climate change response measures and sustainable development. In the field of financial reporting, IFRS is continuously updated to accurately reflect the dynamic changes in these fields, especially in key areas such as carbon emissions trading, environmental, social and governance (ESG) reports. In addition, the development of the carbon market has shown a diversified trend. Different countries and regions have formulated various unique carbon trading mechanisms and policies according to their respective carbon emission reduction targets and strategies.</p> <p>We are working to ensure that our financial reporting standards are able to capture the risks and opportunities associated with climate change and sustainability in a comprehensive and effective manner. This includes precise carbon measurement and reporting – from purchase, sale to use, and how these activities impact the business’s financial position and results of operations. Through this series of efforts, we aim to enhance the level of participation and transparency in the global sustainability agenda, while also supporting businesses to stay competitive in the ever-changing market environment.</p>

(B) Five Power Analysis

Item	Analysis
Bargaining power of suppliers	As a unique software product provider in the market, the Company is committed to providing cutting-edge financial statement solutions derived from its own research and development. We are proud that our software products have been successfully deployed among over 300 listed companies and public listed group companies in China, demonstrating our excellent market adaptability and customer trust. As there is a lack of similar solutions in the market that can directly compete with our products, this further strengthens our position as an industry leader and gives us significant bargaining power. Through continuous innovation and refined management, we ensure that our solutions can meet the highest industry standards, thereby strengthening our competitive advantages and influence in the market.
Buyers’ bargaining power	The relatively low bargaining power of our customers is because we provide a one-stop (Turnkey) software solution which can be deployed directly without

Item	Analysis
	<p>customized development. Through specially designed training programs and well-planned introduction process, customers can quickly master the use of software to ensure the smooth implementation of the solution. Our products are not only fully functional, but also more competitive in terms of price than similar software internationally, providing value beyond market expectations. There are few solutions in the market that can match the functions of our products, this unique advantage allows us to set a reasonable and attractive price point to attract attention and purchase from a broad customer base. This strategy not only strengthens our market position, but also strengthens our attractiveness to customers and further reduces the bargaining power of buyers.</p>
<p>Threats to new entrants</p>	<p>In the face of competition from new entrants, the Company's software products have shown significant competitive advantages in response to the latest requirements of International Financial Reporting Standards (IFRS) S1 (climate-related disclosures) and S2 (other sustainability-related disclosures). These innovative standards require companies to provide more detailed and professional climate and sustainability-related financial information to drive demand for a more specialized financial reporting system. Our products are specifically designed to address these challenges by providing a comprehensive solution that meets both the requirements of the current consolidated financial statements and seamlessly connects to the IFRS S1 and S2 standards.</p> <p>This solution has effectively reduced the barriers between information technology and accounting expertise, and significantly improved the accuracy and efficiency of reporting, ensuring that enterprises can flexibly respond to regulatory changes and continue to maintain compliance. As a result, despite the potential competitive threat posed by the large-scale international enterprise resource planning (ERP) system, the Company's products remain uniquely competitive in the market by being unique in adapting and implementing emerging IFRS standards.</p>
<p>Threats to alternative products or services</p>	<p>Faced with the threat of alternative products or services, the Company's software products have demonstrated their unique competitiveness with their high technical expertise and deep understanding of market demand:</p> <ul style="list-style-type: none"> ● Response strategy for technical complexity: Although international large enterprise resource planning (ERP) system providers have certain technical advantages in the field of consolidated financial reporting, these

Item	Analysis
	<p>systems often need to be customized development based on the recommendations of professional accounting consultants. With the launch of IFRS S1 and S2, there has been a sharp rise in demand for systems capable of processing more complex information and disclosure requirements. The Company's software products have demonstrated exceptional flexibility and adaptability during the design stage by fully considering these requirements.</p> <ul style="list-style-type: none"> ● Enhanced knowledge and professional requirements: With the increasing requirements for sustainability reporting, financial and accounting professionals need to have a more comprehensive knowledge base, including an in-depth understanding of climate change. Our software solutions provide users with an intuitive and easy-to-use platform to meet these new reporting requirements without having to have a strong technical background or undertake cumbersome system development. ● Maintenance and update challenges: The implementation of IFRS S1 and S2 means that businesses must continuously update their reporting systems to meet the latest standards. The Company's software products provide ongoing updates to ensure customers can adapt to these changes seamlessly, eliminating concerns about system obsolescence or non-compliance. ● Cost-effectiveness: For many businesses, compliance with these new reporting standards may be accompanied by high consultancy fees and system maintenance costs. In contrast, the Company's products provide a cost-effective solution for enterprises, which not only fully complies with the requirements of IFRS S1 and S2 standards, but also significantly reduces the overall compliance cost of enterprises.
Competitiveness among existing manufacturers	<p>In the existing competitive environment, the Company's software products have shown significant competitive advantages. Given the large-scale enterprise resource planning (ERP) system providers, the combined financial reporting advisory services provided by these providers are not only costly, but with the annual update of financial reporting standards, enterprise groups may need to adjust or modify their existing systems, which further results in high annual maintenance and system rework costs.</p> <p>In contrast, the choice of the Company's software solutions allows customers to benefit from the maintenance of a single system, which allows them to</p>

Item	Analysis
	adapt quickly and seamlessly when regulations are updated without paying additional system rework fees. Our updated mechanism ensures that all customers can benefit immediately when new regulatory requirements are issued, and can continue to meet the latest regulatory requirements by paying maintenance fees only. This cost-effective and easy-to-maintain characteristic makes the Company's products more competitive in the fierce market competition.

(3) Technology and R & D overview

At the beginning of the Company's establishment, it mainly focused on the sales and services of agency products, and then increased the development of customized software projects for public units and private enterprises due to the needs of business expansion. After years of efforts and experience accumulation, a practical and feasible software system development methodology and management mechanism has been constructed, including the specifications of demand analysis, system analysis and system design, as well as various software system development management mechanisms such as project management, construction management, problem tracking management, and change management. This methodology is used in the production process of various self-owned products of the Company. The main research and development products include the Group's consolidated reporting system GCRS, the Nien Pay System EZSO, the Nien Pay System EZPI, and the carbon housekeeper CarbonKeeper, etc. Through the implementation of this software system development methodology and management mechanism, we ensure that product development can meet the various needs of customers and complete product development on schedule.

Own products	Research and Development
GCRS	<ul style="list-style-type: none"> ● Convert the knowledge and practice of the personnel in the preparation of consolidated statements in accounting high into a feasible information software system, and produce four consolidated statements with the operation habits of the accounting personnel. ● Producing detailed audit information and working papers to assist accounting personnel to quickly understand the calculation process of the figures. ● Provide multi-angle financial analysis statements to meet the different needs of financial statements.
EZSO	Considering the diversity of the content of the notes to the financial statements prepared by the Group's companies, the financial and accounting personnel can set up their own collection Item and report format to facilitate the collection of various note information provided by the Group's consolidated standard-alone, and can conduct audits between various types of information and generate summarized work content,

Own products	Research and Development
	so that the financial and accounting personnel can collect notes in the financial statements more flexible, fast, correct and immediate through the EZSO information collection platform.
Nineteen system EZPI	The system allows financial and accounting personnel to upload their own templates for the Group's financial statements and set the notes from the EZSO system to generate financial statements.
Carbon Housekeeping System CarbonKeeper	Provide a platform for the collection and management of greenhouse gas inventory data, customize activity data collection forms and calculation formulas, and provide supporting data management and detailed calculation output, and produce reports that meet the ISO 14064-1 and GHG Protocol categories for different reporting purposes.

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

Unit: NT \$thousands

Item	Year	
	FY22	FY23
R & D expenses (A)	16,771	20,386
Net operating income (B)	1,476,766	1,598,779
Ratio of R & D expenses to net revenue (A) / (B)	1.14%	1.28%

B. Technologies or products successfully developed

Year	Successfully developed products	Technical Description of Products Developed
107	PCIS Profit Center Profit and loss reporting system	<ul style="list-style-type: none"> ● Group profit analysis system, flexible and customized analysis angles, including departments, products, projects ● Fee allocation from analysis perspective
108	EZSO	<ul style="list-style-type: none"> ● Corporate information collection platform, flexible and customizable data collection format and output style ● Understand and correct data errors in real time through the establishment of data articulation rules in the notes to the financial statements. ● Automatic data currency conversion and total to reduce data integration time ● Support flexible combination of multiple data sources, generate audit traceability of financial note working

Year	Successfully developed products	Technical Description of Products Developed
		papers and compilation of data statements
109	EZPI	<ul style="list-style-type: none"> ● The integrated system of financial report templates and notes helps enterprises quickly produce the entire financial report content. ● Labels can be set in the financial report template to flexibly respond to the content of EZSO notes
110	EZSO Version 1.4	<ul style="list-style-type: none"> ● Optimizing data reporting functions to provide multi-angle data presentation style ● Supporting the external EXCEL data remittance to increase the diversity of collection sources ● Optimize the presentation of the consolidated working paper for data collection
111	GCRS Group Consolidated Financial Statements System Version 8.1	<ul style="list-style-type: none"> ● Supporting SSL mechanism security encryption to protect system data. ● Enhance system information security to avoid internal and external deliberate or accidental threats. ● User interface optimization to increase system operation convenience
111	EZSO Version 1.5	<ul style="list-style-type: none"> ● Optimize data articulation to reduce users' data articulation and trouble-shooting. ● Increase the management of other data sources to ensure the complete output of the financial report. ● Optimize user interface to increase system operation convenience.
112	GCRS Group Consolidated Financial Statements System Version 9.0	<ul style="list-style-type: none"> ● Adding a data review mechanism. ● Add other total profit and loss calculation functions. ● Add a variance adjustment mechanism for statements. ● Increase the statement of changes in audit.
112	CarbonKeeper Carbon Housekeeping System 1.0	<ul style="list-style-type: none"> ● Greenhouse gas data collection and management platform to assist enterprises in completing inventory reports. ● After supporting the carbon inventory of enterprises, various types of reports or reports required by suppliers are produced according to different purposes. ● Support the collection of data from enterprises' customizable activities Item to flexibly respond to the needs of different enterprises.
113	CarbonKeeper Carbon Housekeeping System 2.3	<ul style="list-style-type: none"> ● Support significance assessment ● Dual-factor authentication is adopted for supportive account login. ● Form forms are created by importing Excel files. ● Support Taiwan's automatic collection function of electricity and water bills. ● Support the calculation of carbon emission intensity.

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

A. Short-term business development plan

The spread of the Covid-19 epidemic around the world began at the end of 2019, and it should have a gradual decline in the impact on human life and economic activities by the end of 2023, even it can be ignored the impact of Covid-19. However, some wars between countries and countries or regions are still ongoing. In addition, the geopolitical impact war between the two major countries, the United States and China has expanded and derived the chain effect of technology war and global supply chain disruption and restructuring. In addition, the ESG sustainability issues to protect the earth and maintain a permanent, fair, and safe living environment for human beings are being promoted in full swing all over the world, and it affects the changes in the competitiveness of enterprises in the industry. The occurrence of the above-mentioned related events has also contributed to the rapid and substantial increase in consumer inflation and bank loan interests. This global major event is affecting the results of business operations and future development.

In order to establish sustainable competitiveness of the enterprise, the enterprise can help the enterprise to solve the dependence on human resources and improve operational performance through digital products through digital optimization and further digital transformation, and even develop new business models to increase revenue and profit for the enterprise and establish sustainable competitiveness of the enterprise. The company's mission is to "enhance long-term and reliable competitiveness for customers". Therefore, the company's three major business development strategies are as follows:

- (A) Continue to distribute and distribute more diversified application software in public and private cloud, big data database processing application, system performance monitoring and adjustment, and information security, assist enterprise customers to effectively use digital optimization strategies to improve operational management efficiency, and strengthen the data and technology integration of related software products, and provide customers with high value-added professional services in the near future to achieve the goal of digital transformation of enterprise customers.
- (B) Two major software products developed by the Company
 - a. The software products for the consolidated financial statements and financial statements of enterprise groups comply with the international International Financial Reporting Standards (IFRS), which have been adopted by more than 300 group listed companies in Taiwan. In the future, we will not only continue to develop group enterprise customers, but also develop financial report plans applicable to a single enterprise, and expand the business market to the entire listed company.
 - b. CarbonKeeper, a carbon management platform solution, has been developed by the Company to help corporate customers achieve their goals of net zero emissions and ESG sustainable development in an efficient manner. In addition to the existing carbon inventory software products for large financial holding companies and TWSE/TPEX listed companies, the Company will also launch product carbon footprint software products in 2Q24 to help companies adopt the most efficient way to establish carbon management and carbon reduction methods, and to respond to the

sustainable information processing and disclosure issues required by the international, competent authorities and industrial supply chain, and assist corporate customers in establishing sustainable competitiveness.

- (C) In order to provide customers with more digital transformation solutions and ESG professional services, the Company will establish business expansion cooperation with partners from multiple professions and industries, and form a "ESG sustainable mobile ecosystem" to provide customers with a one-stop service business model of digital transformation and ESG transformation.

B. Medium and long-term business development plans

(A) Mid-term development plan

- a. Strengthen cooperation with international software manufacturers: Expand the sales category of cloud services, increase the opportunities for diversified integration services, and extend products and services Item to public/private cloud and software and hardware integration services.
- b. Introduction and expansion of AI-related products distribution and services: In Taiwan, the demand for information security from the government and private enterprises is becoming more and more urgent. Whether it is to increase production capacity, respond to changes, or strengthen quality control, enterprises are in urgent need of introducing AI products. We plan to cooperate and negotiate with relevant manufacturers in the near future to provide customers with the ability to quickly and low-cost introduce AI products or tools to achieve the goal of intelligent manufacturing and information security automation.
- c. Digital integration and information security: In the current digital era, the promotion of information market solutions to customers has become the key strategy for enterprises to achieve digital integrated sales. This includes integrating different information systems, protecting sensitive data and providing client-side solutions. This can not only improve customer work efficiency and competitiveness, but also ensure information security and ensure effective data protection. Successful digital integration not only needs to promote products, but also provides customized solutions and continuous technical support to meet customer needs. Such total considerations help companies gain competitive advantages in the market and achieve sustainable growth.

(B) Long-term development plan

- a. IDC (International Data Corporation), a multinational market research company, has found that at least five markets are new development opportunities arising from the epidemic, including software, cloud computing, epidemic prevention information security, storage equipment and telecommunications markets, and software (especially AI) and e-commerce will continue to develop strongly after the epidemic. In these 5 categories, cloud computing and remote office access related software of cloud information security and access control are listed as the direction of long-term distribution and introduction.
- b. The expansion plan mainly focuses on the expansion of overseas business. The new southbound countries and the Chinese market, which are mainly based in Vietnam, are the first wave. The reasons are as follows:

(a) Current economic environment

In these years, the global market has been severely affected by the impact of the epidemic. In the process of the overall economy gradually recovering from the turmoil, various new normal technologies that adapt to the market and business practices have gradually become mainstream. It is expected that enterprises in the next five years will focus on "returning to growth" and adapting to the "new normal" technology investment and operation/business model. The economic growth cannot be better than expected, depending on whether "COVID-19 vaccination, early control of the epidemic, major policy reforms, new technology popularization and other aspects are successfully promoted", while the technology investment and operation/business model of Vietnam as the main new southbound country and China market will perform well in the future "return to growth" and adapt to the "new normal".

(b) Overall Economy

Looking at the current overall economic situation, the post-epidemic economic growth rate will slowly return to the level before the COVID-19 epidemic. The World Bank East Asia and Pacific Chief Economists picture: "Basically expected to be a three-track recovery. However, Mainland China and Vietnam follow a V-shaped recovery path, and the output value exceeded the level before the outbreak of the COVID-19 in 2020. The World Bank noted that the economic growth in Mainland China and Vietnam will exceed the pre-COVID level, and it will take several years for other countries in this region to recover.

(c) Regional market

On March 16, 2020, the Ministry of Finance of Vietnam issued No. 345 Resolution (345/Q Đ-BTC), which specifies the time schedule and specific plans for enterprises to apply IFRS (IFRS). Specifically, the IFRS applicable to Vietnam enterprises will be divided into three stages:

- a. Preparation phase 2020 ~ 2021: The framework provisions of IFRS applicable before November 15, 2021.
- b. First stage 2022 ~ 2025: If the parent company of a large-scale state-owned enterprise group or the parent company of a group of companies that have obtained funds from international financial institutions, the parent company of a group of listed companies, the parent company of a large-scale unlisted public offering, and the parent company of other groups are willing and able to apply IFRS in advance, they shall report to the Ministry of Finance and submit IFRS consolidated statements.
- c. Mandatory application of IFRS after 2025: The Ministry of Finance will, based on the needs and capabilities of different enterprises and in accordance with the actual spirit of the regulations, stipulate the timing for mandatory application of IFRS consolidated financial statements for large-scale state-owned enterprise group parent companies or group parent companies that obtain funds from international financial institutions, group parent companies that

have listed shares, large-scale unlisted public offering parent companies, and group parent companies that have large scale. The parent company of an enterprise group not listed above may, depending on its own ability, voluntarily report to the Financial Reporting Department and apply IFRS. That is, some companies are now ready.

China has introduced IFRS standards for many years, and there is no similar to the company's own R & D software products in the market, mainly for customized projects, and most companies are handled with manual charts or assistance from accounting firms, which is a large-scale market with great development potential.

2. Market and Sales Overview

(1) Market Analysis

(A) Regions where the main products (services) are sold (provided)

Unit: NT \$thousands; Percentage%

Region \ Year	FY22		Year 2023	
	Sales	Ratio	Sales	Ratio
Domestic sales	1,469,921	99.54	1,592,274	99.59
External sales	6,845	0.46	6,506	0.41
total	1,476,766	100.00	1,598,779	100.00

(B) Market share

The Company is a professional information service provider, mainly providing enterprise information service outsourcing and business process outsourcing services. It has been cultivating in the industry for many years, and its turnover has grown year by year. In terms of market share, due to the large number of service providers, the business scope also differs, and there is currently no effective statistics. According to the latest turnover statistics published by the Ministry of Economic Affairs Statistics Office, the turnover of the computer and information service industry in Taiwan in 2023 was NT \$570,000,000,000, and the Company's net operating income in 2023 was NT \$1,599,000,000, accounting for 0.28% of the market output value of the entire Taiwan information service industry. In the ranking of TOP 5000 in 2023, the Company ranked fourth in the computer software service industry. The Company's ranking will continue to grow in the future.

In addition, the Company has developed financial report self-editing solutions such as the Consolidated Statement System (GCRS), the Nisgen Receiving System (EZSO), and the Nisgen Emissions System (EZPI), as well as the carbon butler CarbonKeeper carbon management solutions. As of the end of March 2024, about 16% of listed and OTC companies use the Company's financial report self-editing solution, as the competent authority of listed and OTC companies require enterprises to prepare and announce their self-closing financial information 75 days after the end of the year by 2024, the promotion of policy is bound to increase

the necessity of corporate customers to use information software to timely respond to legal compliance, the Company's products are very competitive in the market, and there is a very optimistic development space for the rapid increase of market share in the future.

(C) Future market supply and demand and growth

a. International market demand

International Financial Reporting Standards (International Financial Reporting Standards, hereinafter referred to as IFRSs) has been widely recognized as the world's mainstream accounting language, which has been adopted by more than 115 countries around the world, and Taiwan also requires the public offering of the above companies to be fully implemented in 2013. International Accounting Standards Board (International Accounting Standards Board, the "IASB") published the Consolidated Financial Statements Bulletin on May 12, 2011, which states that:

If an enterprise controls one or more other standard-alone s, it shall be expressed in accordance with the Consolidated Financial Statements preparation principle. The main reason is that based on financial and tax considerations and legal requirements, enterprises may conduct various economic activities through different subsidiaries. If these different subsidiaries are controlled by the same enterprise, the financial report of a single company is insufficient to present the economic substance of the transaction and its financial results. Only through Consolidated Financial Statements, investors and users of the statements can conduct an overall assessment of the Group's operating performance and financial position.

Therefore, the implementation of IFRS in a country is not only a change in accounting principles, but also the company's processes and systems must be revised. For group companies, facing the implementation of IFRS, the biggest trouble is the preparation of the group's Consolidated Financial Statements.

In addition, in recent years, international attention has been paid to ESG sustainability issues. The United Nations Framework Convention on Climate Change passed the Paris Agreement in 2015. Various countries have reached a consensus on the balance between human emissions and removal of greenhouse gasses in the second half of this century, and have responded to the special report issued by the IPCC in 2018, and successively proposed policy plans for net zero greenhouse gas emissions. As of the end of 2021, 74 countries have announced their net-zero targets, and more than 197 countries are now evaluating and planning for net-zero emissions, covering about 88% of global greenhouse gas emissions. Most countries have set to achieve net-zero emissions by 2050.

In addition, international manufacturers (such as Apple, Google, Amazon) have begun to require their supply chain manufacturers to achieve the goal of carbon neutrality. At the same time, the EU launched the climate defense line, which officially announced the carbon border adjustment mechanism plan on July 14, 2021, commonly known as carbon tariffs. If carbon-intensive products are imported to the EU, they must purchase vouchers to sell their products to

the European market, which has also been tried in October 2023. Carbon tariffs are expected to be imposed in 2026.

b. Corporate needs

The Consolidated Financial Statements prepared by enterprises in IFRSs has become the mainstream for advanced countries, and more and more countries follow this principle to increase the comparability and consistency of financial reports in various countries. However, the preparation of Consolidated Financial Statements is very large, especially when the Group is larger and subsidiaries are more, there are issues such as different ERP integration, financial and accounting subject consolidation, and different shareholding ratios of different subsidiaries. Multinational enterprises will also face exchange rate problems, which will increase the difficulty of Consolidated Financial Statements preparation.

The difficulties commonly faced by enterprises in compiling Consolidated Financial Statements are listed as follows:

- (a) The lack of personnel with the ability to prepare consolidated statements affects the preparation schedule of the statements.
- (b) There are no comprehensive procedures and systems in the preparation of the consolidated financial statements, which may possibly result in incomplete or inaccurate information.
- (c) The accounting items of standard-alone cannot be standardized, which affects the accuracy of the consolidated results.
- (d) The data format of each merger standard-alone is inconsistent, which requires a lot of time to organize and amend, affecting the preparation schedule.
- (e) The process of consolidation and write-off is complex and cumbersome, and manual processing is easy to error.

Therefore, if an enterprise uses the information system to produce Consolidated Financial Statements through the information method, it can complete Consolidated Financial Statements automatically and quickly by introducing the system, formulating standard preparation procedures, and checking the rationality of the compilation data by the system, which can not only reduce personnel communication and preparation errors, but also shorten the time for the consolidation of the form and improve the overall output efficiency. In addition, the following benefits can also be generated:

- a. Strengthen the company's financial management and operational management
 - (a) Real-time multi-faceted reporting to effectively grasp the growth trend and fulfill resource allocation and scheduling.
 - (b) Provide diversified financial ratios to effectively control the financial structure.
 - (c) Support financial forecasting and actual data analysis to effectively improve the precision of decision-making.
- b. Reduce the Company's labor costs and time costs
 - (a) The boundary-free financial software system effectively shortens the integration and data processing time.

- (b) Standardize the merger process to effectively reduce error rate and heavy industry phenomenon.
 - (c) Improve and detail the content of the draft to effectively save the communication time with the audit team.
 - (d) Data is systematically stored for an indefinite period of time to effectively improve data management costs.
 - (e) Authority flexibility, effectively implement the job agent mechanism, and shorten the emergency response time.
- c. Creating added value
- (a) Improve the professional accounting ability of personnel and the ability to pass on practical experience.
 - (b) Improve personnel information capabilities to meet the impact of the digital era.
 - (c) Improve the timeliness of financial information and enhance the performance of corporate governance evaluation.
 - (d) Revitalize the application scope of data analysis to provide decision-makers with relevant, accurate and timely information.

In order to actively respond to global sustainable development actions and national net zero emissions goals, the Financial Supervisory Commission released the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" on March 3, 2022, and promoted all TWSE/TPEX listed companies to complete the greenhouse gas inventory by stages in 2027, and the confirmation of the greenhouse gas inventory in 2029, so as to create a sound sustainable development (ESG) ecosystem.

- c. The domestic market has accumulated considerable results and experience

The Company's self-developed software products "GCRS Group Consolidated Statement System", "EZSO" and "EZPI" have been adopted by more than 300 listed companies, mainly listed companies and public offering companies. The "GCRS Group Consolidated Statement System" is a very unique complete solution for financial statements in the industry. The solution was also awarded the Outstanding Digital Innovation Award at the WITSA 2019 Global ICT Excellence Awards by the World Organization in 2019.

In the future, the Company can assist the financial accounting personnel of domestic and international groups to prepare consolidated financial statements in a timely manner, save a lot of manpower and time, and use the system to obtain better financial statements and management data; In addition, with the help of the Company's database specialists and system integration experts, they can continue to assist in handling various database and system management, and even the professional services of enterprise big data development and analysis after solving the financial report preparation problems for enterprises.

- d. Competitive niche

- (1) Information technology and accounting expertise integration

- A. With Excel-like design technology, the user operation entry barrier is low.
- B. Design collection format flexibly to resolve the problem of inconsistent

collection format.

- C. Accurately schedule the format of statements to meet the diversified needs of statements.
- (2) Highly integrated with accounting expertise
 - A. Apply advanced accounting theories to design the "GCRS Group Consolidated Statement System" and "EZSO.
 - B. Apply the cost accounting theory to design the enterprise budgeting system.
 - C. Apply the management accounting theory to design the profit center profit and loss statement and enterprise operation management statement.
- e. Advantages and disadvantages of development prospects and countermeasures
 - (1) Favorable factors
 - A. At the press conference held on August 25, 2020, the Financial Supervisory Commission announced the official launch of the "Corporate Governance 3.0-Sustainable Development Blueprint" for a period of three years, including five main axes of "Strengthening the Functions of the Board of Directors and Enhancing the Sustainable Value of Enterprises". The Company's self-developed financial report software can help listed companies and public companies to quickly prepare financial reports in line with policies, which has unique market value.
 - B. Ministry of Economic Affairs the Industrial Development Bureau has listed the information service industry as one of the key industries under the policy of "three industries and four segments", actively promoting the "internationalization of the information service industry", assisting the information service industry to establish an overseas marketing service mechanism, expanding the business opportunities for the export of information services, and setting up an export service mechanism for the information service industry in Southeast Asia to assist the industry to obtain actual output. In line with the promotion of the policy, it will help the company's self-developed financial report software to be exported to the Southeast Asian market. Vietnam will soon adopt the IFRS International Accounting Standards from 2025.
 - C. The development of international ESG environmental protection (Environmental), social responsibility (Social) and corporate governance (Governance) has started from the expectations and requirements of enterprises in the ESG field to today's legal compliance stage. The digitalization of corporate ESG development is very important, which is conducive to the market value enhancement of the Company's current development of ESG carbon inventory software products.
 - D. The Company has been deeply involved in software technology, software development and software system integration services for more than 20 years. With excellent and unique software skills and many large enterprise customers who provide professional integration services, routine maintenance and professional services can bring long-term and stable income.
 - (2) Unfavorable factors and countermeasures

A. The Company will encounter the problem of insufficient reputation in the international market when expanding the export sales of its own products.
Countermeasures:

- (A) Study the important links between the upper, middle and lower reaches of the industry in the export market, and identify the partners who may be necessary for the middle and lower reaches.
- (B) Invest in effective advertising and marketing resources for sales customers and potential midstream and downstream partners to enhance market awareness.
- (C) Through the industry-academia cooperation with the most well-known local universities in the export market and jointly holding relevant academic application seminars to enhance market awareness.

B. There are many competitors in the greenhouse gas inventory software market, and the market competition is fierce.

Countermeasures:

- (A) Invest more R & D manpower to speed up product R & D.
- (B) In terms of product functions, the R & D of system functions that are more substantial to enterprises, such as product carbon footprint, establishing differences with competitors.
- (C) Cooperate with carbon inventory consulting companies to increase more sales opportunities.
- (D) Organize seminars by themselves or with partners to enhance market awareness.
- (E) Create customers with index-based applications and improve the witness of system use.

C. The manufacturers of the Company's products may affect their distribution rights due to company policies or commercial mergers and acquisitions.

Countermeasures:

- (A) Strengthen the business and technical integration capabilities of the distribution products to customers, and enhance the importance of the Company to the relevant distribution products through the irreplaceability of the Company in the value-added service of the relevant distribution products.
- (B) Increase the Item of distributing products to diversify the company policy of each single manufacturer or the risk of commercial merger on the distribution rights, and at the same time increase the company's revenue and profit.

D. Due to the decline in the birth rate, the population is declining, and information talents in the market are becoming lacking year by year.

Countermeasures:

- (A) Implement corporate governance and strive to develop the Company's scale, so that existing outstanding employees can continue to learn and grow in the existing work, and realize the ideal career development within the Company. In addition to the sense of achievement in work, the Company provides excellent employees with a sound employee stock option and bonus system, and various employee welfare measures that allow employees to feel, so as to improve employees' centripetal

force to the Company.

- (B) The Company has expanded the scope of possible recruitment externally by recruiting outstanding but not professional talents through the human resources department to enter the Company, and systematically conducts self-training to cultivate the relevant technical capabilities of colleagues to improve the relevant information technology energy.
- (C) Cooperate with domestic universities in industry and academia, provide internships for college students, and increase the Company's excellent brand image through social media exposure to attract talents.

(2) Main product applications and production processes

A. Important uses of main products

Please refer to “V. Business Overview, Current Products and Services of the Company Item” in this annual report.

B. Production process: The manpower services provided by the Company mainly include the following three production processes:

		
顧問服務	產品導入	售後服務
倍力提供專業的顧問服務，從資料分析、資料確認、設定建議到工作底稿確認，協助企業快速完成產品導入，降低企業系統導入陣痛期。	倍力提供完整且專業化的導入服務，以服務企業實際的真實資料為基礎，透過標準的導入流程，將現實人工編製的工作逐步地套用在系統使用情境，讓會計人員無痛地進行系統轉換。	倍力不僅提供售後服務電話專線和email，更提供產品交流平台、例行教育訓練以及升版教育訓練，讓我們的客戶獲得全方位的服務內容。

(3) Supply of major raw materials: The Company is not a manufacturer, so it is not applicable.

(4) A list of any suppliers and clients accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

A. List of suppliers accounting for 10 percent or more of the Company's total procurement amount in either of the 2 most recent fiscal years, and the amount and percentage of procurement:

Unit: NT \$thousands

Item	FY22				FY23			
	Company Name	Amount	Proportion to the whole year Net Purchase Ratio (%)	Relationship with the issuer Relationship	Company Name	Amount	Proportion to the whole year Net Purchase Ratio (%)	Relationship with the issuer Relationship
1	P01	1,388,708	91.59	Nil	PP01	1,089,955	81.95	Nil
2	Other	127,521	8.41	—	Other	240,004	18.05	
	Net Purchase	1,516,229	100.00	—	Net Purchase	1,329,959	100.00	

Note: The Company has signed a non-disclosure agreement with the P01 manufacturer.

Reason for increase or decrease: The change in the purchase amount of the above-mentioned suppliers is mainly due to the change in the customer's product and market demand, and the change is still in line with the situation.

- B. List of any clients accounting for 10 percent or more of the Company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each:

Unit: NT \$thousands

Item	FY22				FY23			
	Company Name	Amount	Proportion to the whole year Net sales Ratio (%)	Relationship with the issuer Relationship	Company Name	Amount	Proportion to the whole year Net sales Ratio (%)	Relationship with the issuer Relationship
1	S01	3,057	0.21	Nil.	S01	2,711	0.17	Nil.
2	—	—	—	—	S08	167,548	10.48	Nil.
3	Other:	1,473,709	99.79	—	Other:	1,428,520	89.35	—
	Net sales	1,476,766	100.00	—	Net sales	1,598,779	100.00	—

Note: The Company has signed confidentiality agreements with S01 and S08 customers.

Reasons for increase or decrease: The changes in the Company's sales customers are mainly due to the increase or decrease of the difference in projects undertaken and the sales and customer demand in each year. The changes are still consistent.

- (5) Production value in the last two years: The Company is an information service industry, not a general traditional manufacturing industry, so it is applicable to calculate production volume.
- (6) Sales volume and value in the last two years

Unit: NT \$thousands

Sales volume Main Products	Year	FY22				FY23			
		Domestic sales		External sales		Domestic sales		External sales	
		Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Sale of computer software		—	1,362,100	—	6,133	—	1,454,301	—	5,230

Sales volume Main Products	Year	FY22				FY23			
		Domestic sales		External sales		Domestic sales		External sales	
		Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Service and maintenance income		107,821		712		137,972		1,276	
Total		—	1,469,921	—	6,845	—	1,592,273	—	6,506

3. Number of employees, average years of service, average age and academic distribution ratio of employees in the last two years and as of the publication date of the annual report

Unit: person; Percentage%

Year		FY22	FY23	April 30, 2024
Employees Number	managerial officers	8	13	8
	General Staff	30	29	33
	Technical staff	46	47	49
	total	84	89	90
Average age		40.93	42.63	43.19
Average years of service		7.01	7.39	7.44
Education distribution ratio	PhD	0.00	0.00	0.00
	Masters	17.86	20.22	22.22
	College	79.76	76.41	74.45
	High school and below	2.38	3.38	3.33

4. Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company is engaged in the information service industry and is engaged in production and manufacturing operations. Therefore, it is required to obtain a pollution setting or pollution discharge permit.

5. Labor Relations

(1) Employee benefits

- A. The Company's various employee welfare measures, further education, training, retirement system and its implementation, as well as the agreement between labor and management and various employee rights protection measures

The Company's labor-management relationship is harmonious and stable, and the Company maintains positive business development, and is committed to improving employee welfare, while maintaining smooth communication channels between labor and management. Through the joint efforts of all colleagues, the Company exerts personal expertise, so that colleagues and the Company can grow synchronously and share good results.

(A) Employee welfare measures and implementation

In addition to the health insurance and labor insurance in accordance with the relevant provisions of the Labor Standards Act of the Republic of China, the Company also provides employee group insurance and sets aside labor personal pension account system to protect employee-related benefits. The measures and implementation are as follows:

- a. Employees are entitled to special vacations and pension contributions in accordance with the law. The Employee Welfare Committee has been established to coordinate welfare activities, such as employee travel subsidies, wedding bonuses, childbirth bonuses, funeral subsidies, and large family activities.
- b. In addition to labor insurance and national health insurance, all employees are also provided with group business accidents and cancer medical insurance, for which the Company pays a guarantee fee.
- c. Provide fixed amount of subsidies for employee health checks and organize employee activities and travel activities from time to time to enrich the leisure activities of colleagues and enhance relationship.

(B) Employee education and training

In order to improve the professional and technical capabilities of employees, strengthen work efficiency and pay attention to product quality, education and training are carried out in accordance with the annual education and training plan, internal training and external training are conducted at the same time to strengthen the professional capabilities of employees in each functional area. The training of the Company is listed as follows:

- a. Training for new employees: On the first day of work, new employees are provided with courses related to the company's corporate culture, organizational history, work rules, employee benefits, precautions, and environmental introduction, so that new employees have a basic understanding of the company.
- b. On-the-job training: To cultivate the professional skills, knowledge and management ability of employees at work.
- c. Professional training: Employees are sent to relevant institutions for

training as needed, so that employees can obtain professional testing and certification.

(C) Retirement system and implementation

Starting from July 1, 2005, in line with the implementation of Labor Pension Act, the company has allocated 6% of the pension on a monthly basis to the individual labor pension account to protect the rights and interests of employees. Employees can also choose to contribute 0 ~ 6% of their monthly salary to their personal pension accounts.

(D) Labor-management agreements and measures for preserving employees' rights and interests

In accordance with the Act and relevant regulations, both employers and employees are required to follow employment contracts, work rules and various regulations; The Company emphasizes two-way communication with employees and maintains a harmonious relationship between employers and employees. Up to now, there has been no significant loss due to labor disputes.

- (2) In the most recent year and up to the date of publication of the annual report, the losses suffered due to labor disputes, and the estimated amount and corresponding measures that may occur at present and in the future are disclosed. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated:

The Company always attaches importance to employee welfare, provides a good working environment, and emphasizes two-way communication between employees and harmonious labor relations. Therefore, there is no major labor dispute in the last two years and up to the printing date of the annual report.

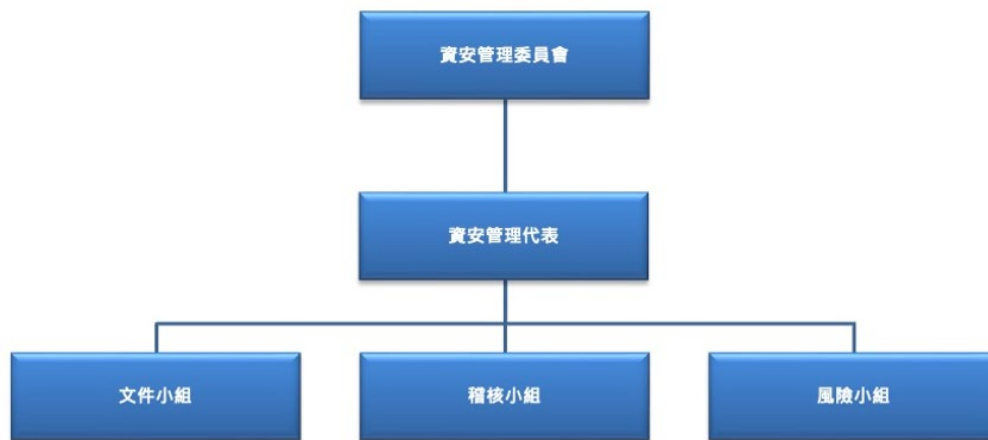
6. Cyber security management

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

A. Information security risk management framework

The Company established the "Information Security Committee" in 2021, which is responsible for implementing information operation security management planning, establishing and maintaining information security management systems, coordinating the formulation, implementation, risk management and compliance review of information security and protection related policies. The Information Security Committee is chaired by the President and a cross-unit project team has been established to promote information security. Under the Information Security Committee, a deputy general manager is appointed as a representative of information security management, responsible for coordinating work, coordinating resource allocation, and supervising and managing; Under it, a risk team is set up to conduct asset inventory and risk assessment; Set up a document team

responsible for document release, announcement, submission and version management; Set up an audit team to be responsible for internal audit related activities.



The Information Security Committee conducts a management review meeting every six months to review the information security risk analysis results and discuss corresponding protective measures and policies to be taken to ensure the applicability, relevance and effectiveness of the continuous operation of the information security management system.

B. Information security policy

The Company's information security policy includes the following: Establish information security management specifications that meet regulations and customer needs; 2. Achieving consensus that information security is everyone's responsibility through full awareness; 3. Protect the confidentiality, integrity and availability of the Company and customer information.

The Company has introduced and established a complete information security management system to reduce corporate information security threats from the system, technical and procedural aspects, establish information security that meets customer needs and protect the environment, and continuously conduct the "→ Implementation → Audit → Action" (PDCA, Plan → Do → Check → Act) cycle for continuous improvement.

- Planning stage: Focus on information security risk management, establish a complete information security management system, promote the company to pass the international ISO27001 information security management system certification, reduce corporate information security threats from the system, technical and procedural aspects, and establish confidential information protection services that meet customer needs and the highest specifications.
- Implementation phase: Integrate and internalize the information security control mechanism into the software and hardware maintenance and operation, supplier information security management and other daily operating procedures, systematically monitor information security, and maintain the confidentiality, integrity and availability of the company's important assets.
- Check stage: Actively monitor the effectiveness of information security management, conduct information security index measurement and

quantitative analysis based on the check results, and conduct information security maturity assessment through regular simulation of information security attacks.

- Action stage: Based on review and continuous improvement, implement supervision and audit to ensure the continuous effectiveness of information security regulations; In addition, based on the performance indicators and maturity assessment results, regularly review and implement improvement actions including information security measures, education and training and publicity to ensure that the company's important confidential information is not leaked.

C. Specific management plan and resources invested in cyber security management

In order to achieve the information security policy and goals, establish a comprehensive information security protection, and implement management matters and specific management plans as follows:

- (A) Information security promotion: In order to ensure that the employees of the Company have the compliance of information system security prevention and network transmission information security, and crisis management related capabilities, the Company conducts information security publicity for employees from time to time, and reminds employees of information security risks and related operating procedures. The content of the publicity data includes information security policies, laws and regulations, operating procedures, security responsibilities, security prevention or data exchange of each information system, and the proper collection of confidential or sensitive data, etc.
- (B) Enhancing the ability to defend: The Company has also established a security control mechanism for the computer network system, using anti-virus software internally, and making virus code updates from time to time, activating real-time file scanning protection, real-time detection, removal or deletion of regular files, and prohibiting the use of specific applications. Firewalls and intrusion prevention detection are set up externally to carry out first-line protection and blocking routine lines. In addition, we use the information security system and cooperate with the company's information security policy to manage specific applications and equipment, and record online behavior to prevent the leakage of confidential and sensitive data or the intrusion of hackers caused by regular websites, which effectively reduces the company's information security risks.
- (C) Joined the Joint Defense Organization: The Company has joined the TWCERT/CC(Taiwan Computer Emergency Response Team/Coordinate Center) TWCERT, which can immediately obtain and share information security information, and allow the Company to join the major information security incident reporting mechanism.
- (D) Introduce international information security certification standards: The Company has obtained ISO 27001 certification standards and regulations related to information security as a method and inspection basis for achieving various risk management. The current certificate is valid from January 10, 2023 to January 9, 2026. The Company has also established a

corresponding risk management committee to promote various standardization operations and reduce the risks of production and operation.



(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Important Contracts

Contract Nature	Contracting Party	Contract Start/End Date	Main contents	Restrictive clauses
Revenue Contract	S01 company	2022/03/31 ~ 2025/06/06	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S02 company	2022/03/31 ~ 2024/03/30	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S03 company	2023/01/01 ~ 2024/12/31	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S04 company	2023/01/01 ~ 2026/04/26	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S05 company	2023/02/05 ~ 2024/05/31	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S06 company	2024/01/01 ~ 2024/12/31	Software maintenance	Sign a confidentiality agreement
Revenue Contract	S07 company	2024/02/01 ~ 2028/07/12	Software subscription license	Sign a confidentiality agreement

Contract Nature	Contracting Party	Contract Start/End Date	Main contents	Restrictive clauses
Borrowings Contract	Mega International Commercial Bank	2024/01/07 ~ 2025/01/06	total Loan	Nil.
Borrowings Contract	Taishin International Commercial Bank	2024/02/01 ~ 2025/01/31	total Loan	Nil.
Borrowings Contract	Taipei Fubon Bank	2023/07/27 ~ 2024/07/26	total Loan	Nil.
Borrowings Contract	Shin Kong Commercial Bank	2024/03/06 ~ 2025/03/05	total Loan	Nil.
Borrowings Contract	Hua Nan Commercial Bank	2023/08/11 ~ 2024/08/11	total Loan	Nil.
Borrowings Contract	Bank of Panhsin	2024/01/30 ~ 2025/01/29	total Loan	Nil.
Borrowings Contract	Far Eastern International Bank	2024/01/31 ~ 2025/01/30	total Loan	Nil.
Borrowings Contract	Yuanta Commercial Bank	2024/02/19 ~ 2025/02/18	total Loan	Nil.
Borrowings Contract	Sun Commercial Bank	2023/02/24 ~ 2025/11/19	total Loan	Nil.
Distribution Contract	P01 company	2024/04/25 ~ 2025/04/24	Partner contract and its riders	<ol style="list-style-type: none"> 1. Only P01 partners' network members can provide customer service and accept P01 services, and part of the rights and interests are limited to Taiwan. 2. Confidentiality restriction shall not disclose confidential information such as contracts and transaction content at will. 3. The contract, the rights and distribution authorization of P01 obtained from this contract shall not be sub-authorized or transferred to a third party. 4. Distributors shall not violate the principles of ethical
		2023/04/14 ~ 2025/04/13	Master Distribution Agreement and its ancillary agreements	
		2023/09/01 ~ 2025/04/13	Support update schedules	

Contract Nature	Contracting Party	Contract Start/End Date	Main contents	Restrictive clauses
				<p>transactions and the terms of this contract, and shall comply with international anti-corruption and anti-money laundering laws and regulations.</p> <p>5. A distributor shall not designate any third party to sell the product.</p> <p>6. Agreed to try its best to achieve the KPI performance targets listed in the contract.</p>

Note: The Company has signed confidentiality agreements with S01 ~ S07 and P01.

VI. Financial Overview

1. Condensed balance sheets and Statements of Comprehensive Income for the past five years

(1) Condensed Balance Sheet and Statements of Comprehensive Income

A. Condensed Balance Sheet-Adopting International Financial Reporting Standards (Individual)

Unit: NT \$thousands

Item		Year	Financial Summary for The Last Five Years (Note 1)				
			2019	2020	2021	2022	2023
Current Assets			303,542	348,556	482,416	1,070,766	1,125,815
Property, plant and equipment			2,403	4,269	2,726	2,236	1,148
Intangible assets			—	—	67	841	784
Other assets			44,189	51,248	50,087	123,272	143,077
Total Assets			350,134	404,073	560,596	1,197,115	1,270,824
Current liabilities	Before dividend		178,321	207,476	258,194	691,484	754,149
	After appropriation		196,721	217,476	279,944	775,084	(Note 3)
Non-current liabilities			31,872	36,090	30,948	24,978	30,292
Total liabilities	Before dividend		210,193	243,566	289,142	716,462	784,441
	After appropriation		228,593	253,566	310,892	716,462	(Note 3)
Equity attributable to owners of parent			139,941	160,507	271,454	480,653	486,383
Share capital			92,000	100,000	145,000	220,000	220,000
Capital surplus			9,100	9,100	26,600	133,284	133,284
Retained earnings	Before dividend		38,841	51,407	99,854	127,369	133,099
	After appropriation		12,441	21,407	121,604	127,369	(Note 3)
Other rights			—	—	—	—	—
Treasury stock			—	—	—	—	—
Non-controlling interests			—	—	—	—	—
EQUITY Total Amount	Before dividend		139,941	160,507	271,454	480,653	
	After appropriation		121,541	150,507	249,704	397,053	(Note 3)

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

Note 2: The Company has applied International Financial Reporting Standards for the

first time since 2020, with comparative figures for 2019 attached.

Note 3: The 2023 surplus has not yet been approved by the shareholders' meeting Resolution.

B. Condensed Statements of Comprehensive Income-Adopted International Financial Reporting Standards (Individual)

Unit: NT \$thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenue	540,483	722,313	1,164,726	1,476,766	1,598,779
Gross profit	107,174	124,063	195,783	220,662	230,902
Operating profit	38,400	52,203	101,984	119,016	115,514
Non-operating income and expenses	(800)	(2,186)	(4,160)	(4,593)	(3,488)
Net profit before tax	37,600	50,017	97,824	114,423	112,026
Net income from continuing operations	29,777	39,726	78,999	91,557	89,432
Loss of suspended business unit	—	—	—	—	—
Net income	29,777	39,726	78,999	91,557	89,432
Other profits and losses of total (net after tax)	(169)	(760)	(552)	1,208	(102)
Total gains and losses of total for the period	29,608	38,966	78,447	92,765	89,330
Net income attributable to shareholders of the parent	—	—	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—
Total losses of total attributable to owners of the parent company	—	—	—	—	—
Total losses of total attributable to non-controlling interests	—	—	—	—	—
Earnings per share (NT \$)	2.48	3.31	4.83	4.81	4.07

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

Note 2: The Company has applied International Financial Reporting Standards for the first time since 2020, with comparative figures for 2019 attached.

(3) Names of CPAs and their audit opinions for the last five years

Year	Name of Accounting Firm	Name of CPA	Audit Opinion
FY19	Ernst & Young, Taiwan	Chun-Ting Ma	unqualified opinions
FY20	KPMG	Chun-Hsiu, Kuang, Chun-I, Chang	unqualified opinions
FY21	KPMG	Chun-Hsiu, Kuang, Chun-I, Chang	unqualified opinions

FY22	KPMG	Chun-Hsiu, Kuang, Chun-I, Chang	unqualified opinions
FY23	KPMG	Chun-I, Chang, Chun-Hsiu, Kuang	unqualified opinions

2. Financial analysis for the last five years

Financial Analysis-International Financial Reporting Standards (Individual)

Item		Year	Financial analysis for the last five years (Note 1)				
			2019	2020	2021	2022	2023
Finance Structure	Debt ratio (%)		60.03	60.28	51.58	59.85	61.73
	Ratio of long-term capital to property, plant and Plant and equipment ratio (%)		7149.94	4605.22	11093.25	22613.19	45006.53
Repayment Ability	Current ratio (%)		170.22	160.59	186.84	154.85	149.28
	Quick ratio (%)		158.27	125.41	171.36	104.18	101.49
	Interest protection multiples		18.62	23.07	22.57	18.53	17.09
Operation Ability	Accounts receivable turnover (times)		3.08	3.68	4.43	3.46	2.66
	Average collection days for receivables		118.51	99.18	82.39	105.49	137.21
	Inventory turnover (times)		42.18	13.53	17.69	6.59	3.92
	Accounts payable turnover (times)		9.23	8.64	9.71	4.70	3.04
	Average days for sale of goods		8.65	26.98	20.63	55.39	93.11
	Property, plant and equipment turnover (times)		193.31	216.52	333.02	595.23	944.9
	Total assets turnover (times)		1.57	1.92	2.41	1.68	1.3
Profit Ability	Return on total assets (%)		9.17	11.02	17.13	11.01	7.7
	Return on equity (%)		22.37	26.44	36.58	24.35	18.5
	Pre-tax income to paid-in capital (%)		40.87	50.02	67.46	52.01	50.92
	Profit ratio (%)		5.51	5.50	6.78	6.20	5.59
	Earnings per share (NT \$)		2.48	3.31	4.83	4.81	4.07
Cash flow	Cash flow ratio (%)		46.20	(27.62)	34.85	(21.18)	12.01
	Cash flow fair ratio (%)		192.55	70.37	132.37	38.17	48.72
	Cash reinvestment ratio (%)		37.88	(40.96)	26.11	(33.12)	1.34
Leverage	Leverage Operating Leverage		3.12	2.83	2.20	2.10	2.26
	Financial Leverage		1.06	1.05	1.05	1.06	1.06

Item	Year	Financial analysis for the last five years (Note 1)				
		2019	2020	2021	2022	2023
Reasons for changes of over 20% in financial ratios over the past two years:						
1. Ratio of long-term capital to property, plant and equipment: Mainly due to the decrease in property, plant and equipment, resulting in an increase in the ratio of long-term capital to property, plant and equipment.						
2. Receivables turnover (times): Mainly due to the growth of operation scale and the increase in accounts receivable, which resulted in a decrease in receivables turnover (times) and an increase in the number of days of receivables collection.						
3. Inventory turnover rate and average days for sale of goods: Mainly due to the fact that many large customers who have worked with us for many years all need to purchase stocks in advance, so the inventory at the end of the year increased, resulting in a decrease in inventory turnover rate and an increase in average days for sale of goods.						
4. Accounts payable turnover: Mainly due to the increase in inventories and current liabilities at the end of 2023, resulting in a decrease in the turnover rate of accounts payable.						
5. Property, plant and equipment turnover (times): The increase in fixed assets turnover (times) was mainly due to the increase in sales revenue and the decrease in property, plant and equipment as a result of operational growth.						
6. Total asset turnover rate and return on assets: Mainly due to the increase in inventory to meet operational needs, resulting in a decrease in turnover rate and return on assets.						
7. Return on equity: The increase in major shareholders' equity reduced the return on equity.						
8. Cash flow ratio, cash flow fair ratio and cash reinvestment ratio: Mainly due to the increase in cash inflows from operating activities, resulting in an increase in cash flow ratio, cash flow fair ratio and cash reinvestment ratio.						

Note 1: The Company has adopted International Financial Reporting Standards for the first time since 2020, and restated the figures for 2019. The above financial information for each year has been audited by CPAs.

Note 2: The calculation formula of financial analysis is as follows:

1. Financial structure

(1) Debt ratio \leq Total liabilities/Total assets.

(2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current liabilities)/Net property, plant and equipment.

2. Solvency

(1) Current ratio \leq Current assets/Current liabilities.

(2) Quick ratio (current assets-inventory-prepaid expenses)/current liabilities.

(3) Interest coverage ratio = income tax and net profit before interest expense/interest expense in the current period.

3. Operating ability

(1) Accounts receivable turnover (including accounts receivable and notes receivable arising from business operations) = Net sales/Balance of average accounts receivable (including accounts receivable and notes receivable arising from business operations).

(2) Average collection days \leq 365/Receivables turnover rate.

(3) Inventory turnover rate \leq Cost of goods sold/Average inventory.

(4) Payables turnover rate (including bills payable resulting from accounts payable and business operations) = Cost of sales/Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).

(5) Average inventory turnover days \leq 365/inventory turnover.

(6) Property, plant and equipment turnover \ net sales \ average net property, plant and equipment

(7) Total assets turnover \leq Net sales/Average total assets.

4. Profitability

(1) Return on assets \ Net income after tax \ \ Interest expense \times (1 - Tax rate) \ Average total assets

- (2) Return on equity = after-tax profit and loss/average total equity.
 - (3) Net profit margin = after-tax profit and loss/net sales.
 - (4) Earnings per share (profit and loss attributable to owners of the parent company-preferred stock dividends)/weighted average number of issued shares.
5. CASH FLOWS
- (1) Cash flow ratio \leq Net cash flow from operating activities/Current liabilities.
 - (2) Net cash flow fair ratio \leq Net cash flow from operating activities for the most recent five years/(Capital expenditure \geq Increase in inventory \geq Cash dividends) for the most recent five years.
 - (3) Cash reinvestment ratio = (Net cash flow from operating activities-cash dividends)/(gross property, plant and equipment + long-term investment + other non-current assets + working capital).
6. Leveraging
- (1) Operating leverage (Net operating revenue-Variable operating costs and expenses)/Operating profit.
 - (2) Financial leverage Operating profit/(Operating profit-interest expense).

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

M-Power Information Co., Ltd. Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements and earnings distribution proposal, among which the financial statements have been audited by KPMG Chun-I, Chang and Chun-Hsiu, Kuang accountants, who have issued Auditors' Report. The above-mentioned business report, financial statements and earnings distribution statement have been reviewed by the Audit Committee and are considered to be complied with. According to Article 14-4 of the Securities Exchange Act and Article two hundred and nineteen of the Company Act, we hereby submit this report.

To

M-Power Information Co., Ltd. 2024 Annual General Meeting

Convener of the Audit Committee: Hung-Hsun, Ting

February 27, 2024

- 4. The most recent annual financial report, including Independent Auditors' Review Report, two-year comparative balance sheet, Statements of Comprehensive Income, statement of changes in equity, cash flow statement and notes or tables:**
Please refer to Appendix I.
- 5. Stand-alone Financial Statement:** Not applicable.
- 6. If the Company and Its Affiliates Encounter Any Financial Difficulties in the Past Year and as of the Date of Publication of the Annual Report, the Impact on the Company's Financial Status Shall Be Listed:** None.

VII. Review and analysis of the Company's financial position and financial performance, and risk management

1. Financial position

- (1) The main reasons for the significant changes in assets, liabilities and equity in the last two years and their effects

Unit: NT \$thousands

Item \ Year	FY22	FY23	Increase (decrease)	
			Amount	Percentage (%)
Current Assets	1,070,766	1,125,815	55,049	5.14
Property, plant and equipment	2,236	1,148	(1,088)	(48.66)
Intangible assets	841	784	(57)	(6.78)
Other assets	123,272	143,077	19,805	16.07
Total Assets	1,197,115	1,270,824	73,709	6.16
Current liabilities	691,484	754,149	62,665	9.06
Non-current liabilities	24,978	30,292	5,314	21.27
Total liabilities	716,462	784,441	67,979	9.49
Equity attributable to owners of parent	480,653	486,383	5,730	1.19
Share capital	220,000	220,000	0	0.00
Capital surplus	133,284	133,284	0	0.00
Retained earnings	127,369	133,099	5,730	4.50
Total equity	480,653	486,383	5,730	1.19

Explain the main reasons for the significant changes in the company's assets, liabilities and equity in the last two years (the previous and previous changes of more than 20 percent, and the amount of changes reached NT \$ten million), their impact and the unsolved response plan.

1. Main reasons and effects of material changes in Item: None.
2. Future response plans for those with significant impact
The above changes have no significant impact on the Company, and the Company's overall operating performance has no significant changes, so there is no proposed response plan.

2. Financial performance

- (1) Main reasons for any material change in operating revenues, operating income, or income before tax during the past two fiscal years

Unit: NT \$thousands

Item \ Year	FY22	FY23	Increase (decrease)	
			Amount	Percentage (%)
Operating revenue	1,476,766	1,598,779	122,013	8.26
Operating costs	1,256,104	1,367,877	111,773	8.90
Gross profit	220,662	230,902	10,240	4.64
Operating expenses	101,646	115,388	13,742	13.52
Profit from operations	119,016	115,514	(3,502)	(2.94)
Non-operating income and expenses	(4,593)	(3,488)	1,105	24.06
Net profit before tax	114,423	112,026	(2,397)	(2.09)
income tax Fee	22,866	22,594	(272)	(1.19)
Net income	91,557	89,432	(2,125)	(2.32)
Total gains and losses of total for the period	92,765	89,330	(3,435)	(3.70)
The main reasons for the changes of more than 20 percent and the amount of changes reaching NT \$ten million in the last two years are as follows: None.				

- (2) The expected sales volume and its basis, the possible impact on the Company's future financial business and the corresponding plan: The Company sets sales performance in the next year based on the sales situation, market demand and industrial development of the current year, and estimates sustainable growth and a sound financial position.

3. Cash flows

- (1) Analysis of changes in cash flow in the most recent year (2023)

Unit: NT \$thousands; Percentage%

Item \ Year	FY22	FY23	Amount increase (decrease)	Increase (decrease) ratio
Net cash flows from (used in) operating activities	(146,470)	90,557	237,027	161.83
Net cash flows from (used in) investing activities	(6,879)	(1,240)	5,639	81.97
Net cash flows from (used in) financing activities	232,886	(122,415)	(355,301)	(152.56)

<p>Analysis of changes in cash flow:</p> <p>(1) Decrease in net cash inflow from operating activities: Mainly due to the increase in cash inflow from accounts receivable and the decrease in cash outflow from accounts payable in 2023, resulting in an increase in net cash inflow from operating activities.</p> <p>(2) Increase in net cash outflow from investing activities: Mainly due to the disposal of financial assets measured at amortized cost, resulting in a decrease in cash outflow.</p> <p>(3) Increase in net cash inflow from financing activities: mainly due to the repayment of bank loans and distribution of cash dividends in 2023.</p>

(2) Improvement plan for insufficient liquidity: As of the publication date of the annual report, the Company has sufficient cash and there is no concern of insufficient liquidity.

(3) Cash Flow Analysis for the Coming Year (2024)

Unit: NT \$thousands

Beginning cash balance Balance	Expected annual net cash flow from operating activities	Projected net cash flow from investing and financing activities for the year	Cash surplus Amount (Inadequacy)	Estimated cash shortfall Remedial measures	
				Investment plan	Financing plan
209,790	95,000	(100,000)	204,790	Not applicable.	Not applicable.
<p>1. Analysis of changes in cash flow for the year</p> <p>(1) Operating activities: Mainly due to the growth of operating income and the expansion of operating scale, accounts receivable collection, and cash inflow.</p> <p>(2) Investment activities and financing activities: Mainly due to the financing cash inflow for working capital needs and outflow such as cash dividend distribution.</p> <p>2. Remedial measures and flow analysis for expected cash shortage: There is no expected cash shortage, so it is not applicable.</p>					

4. Impact of major capital expenditures in recent years on the company's financial operations

The Company has no significant capital expenditures in 2023, so it has no significant impact on its financial operations.

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

The Company's reinvestment policy is based on the consideration of sustainable operation and operational growth, and in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority, the "Procedures for Acquisition or Disposal of Assets" is set as the basis for the Company to conduct reinvestment business to grasp the relevant business and financial status. Although the Company currently has no reinvestment business, it has not yet prevented the expansion of its operating scale, so it has formulated the "Subsidiary and Reinvestment Business Management Measures" in the internal control system to formulate relevant regulations for the information disclosure and daily operation management of reinvestment business.

6. Risk matters

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

A. The impact of interest rate changes on the company's profit and loss and future countermeasures

The Company's interest expenses in 2022 and 2023 are NT \$6,526,000 and NT \$6,962,000, respectively, accounting for 0.44% of the annual operating revenue, and 5.70% and 6.21% of the annual net profit before tax, respectively. The interest income in 2022 and 2023 are NT \$246,000 and NT \$1,110,000, respectively, accounting for 0.02% and 0.07% of the operating revenue in each year, respectively, and accounting for 0.21% and 0.99% of the net profit before tax in each year, respectively. Therefore, the impact of interest rate changes on the Company's profit and loss is still limited. Based on the principle of prudent and conservative financial management, the Company's financial personnel usually keep close contact with the correspondent banks, keep abreast of interest rate changes, regularly evaluate the interest rates of various bank projects, review the impact of changes in financial market interest rates on the Company's funds, adjust the position of idle funds in a timely manner, and adjust countermeasures at any time according to changes in interest rates.

B. The impact of exchange rate changes on the company's profit and loss and future countermeasures

The Company's net foreign currency exchange gains (losses) in 2022 and 2023 are NT \$(434) thousand and (384) thousand respectively, accounting for (0.03)% and (0.02)%, respectively, of the annual operating income ratio, accounting for (0.38)% and (0.34)%, respectively, of the annual pre-tax net profit ratio, so the impact of exchange rate fluctuations on the Company's profit and loss is still limited. The Company's financial personnel continue to strengthen the concept of foreign exchange hedging and maintain close contact with banks to keep abreast of the latest exchange rate information, to judge the future trend of exchange rates, as a reference basis for adjusting foreign currency positions, and to take appropriate measures to reduce the impact of exchange rate risk.

C. The impact of inflation on the Company's profit and loss and future countermeasures

The Company's products are not sold to general consumers, so inflation has no direct and immediate impact on the Company. The past profits and losses have not been significantly affected by inflation. In the future, we will also pay close attention to market price fluctuations and increase the purchase cost due to inflation. The company will appropriately adjust the sales price and grasp the upstream price changes to reduce the risk of cost changes affecting the company's profit and loss.

(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:

The Company focuses on its core business and upholds the principle of financial

stability and conservatism to engage in high-risk, highly leveraged transactions. Based on the operational risk assessment, the Company does not require lending funds to others, endorsement guarantees or derivative transactions, etc., and will follow the Company's Procedures for Lending Funds to Other Parties, Procedures for Endorsements and Guarantees, and Procedures for Acquisition or Disposal of Assets. In the most recent year and as of the date of publication of the annual report, the Company has not engaged in high-risk, high-leverage investments, capital loans to others, endorsement guarantees and derivative commodity transactions.

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

A. Future R & D plans

The development of the Company's products and technologies has always been in line with customer and market needs, and we will pay close attention to future industry trends and developments to develop products and technologies with market growth and future potential. The Company will invest in active research and development in the following directions:

(A) Optimization of the Group's consolidated reporting system

The R & D unit of the company records the feedback and suggestions of the Group's consolidated report system customers' use of products, and occasionally launches updated versions to optimize user experience and operational efficiency. The current release of the product version of the Group's consolidated reporting system has completed the development of the common needs of most customers, and only the detailed optimization of local system functions is required in the future, gradually meeting customer expectations and improving the adhesion of customers using the product.

(B) Optimization of carbon butler CarbonKeeper system

In the first quarter of 2024, the Company completed the development of the carbon management platform-Carbon Butler CarbonKeeper system V2.3, which can help companies collect organizational greenhouse gas inventory data and output the results. The R & D unit will continue to optimize system functions, including data collection, system interface, verification data and other more convenient functions, so that companies can conduct organizational greenhouse gas inventory operations. In addition, in the next stage, we will develop the system functions of product carbon footprint and provide functions of carbon reduction simulation, in order to assist all listed companies to smoothly promote the "sustainable development path map of listed companies" in line with government policies, cooperate with corporate customers in various industries to successfully meet the goal of carbon neutrality in the international supply chain, and strengthen the company to create new momentum for sustainable growth.

B. Estimated R & D expenditure

The estimated R & D investment amount will be gradually compiled according to the development progress of new products and new technologies. With the growth of turnover, it will gradually increase the annual R & D expenses, so as to support future R & D plans, maintain core technologies, and increase the Company's competitiveness in the market.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

The Company's daily operations are handled in accordance with relevant domestic and foreign laws and regulations, and it always pays attention to domestic and foreign policy development trends and regulatory changes in order to fully grasp the changes in the market environment and actively propose response measures in a timely manner. In the most recent year and as of the publication date of the annual report, the company's research and development products have had a positive impact on the business due to policy promotion of the "Corporate Governance 3.0-Sustainable Development Blueprint", "Sustainable Development Roadmap for TWSE/TPEX Listed Companies", "Sustainable Development Action Plan for TWSE/TPEX Listed Companies" and "Taiwan's International Financial Reporting Standards (IFRS) Sustainable Disclosure Blueprint", and other aspects have not been affected by important domestic and foreign policy and legal changes affecting the company's financial business.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales:

The Company has introduced the ISO27001 (Information Security Management System) to strengthen the ability to respond to information security incidents, protect the security of the Company and customers' information assets, and list information security control operations as an annual audit item, and the audit unit conducts an audit at least once a year.

The Company always pays attention to the technological changes and technological development and evolution of the industry in which it operates, grasps the market pulsation and peer information, and adjusts its product portfolio in a timely manner to meet market demand and maintain the Company's competitiveness. In the most recent year and as of the date of publication of this annual report, there has been no significant impact on the Company's financial business due to important technological changes and industrial changes.

(6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Since its establishment, the Company has focused on the operation of its own business, complied with relevant laws and regulations, actively strengthened internal control and improved management quality and performance, donated software products and student scholarships to help improve the teaching quality and results of universities, purchased goods and shared donated materials to disadvantaged groups in the society from time to time, so as to continue to maintain a good corporate image and increase customers' trust in the Company. The Company has not encountered any operational crisis due to changes in corporate image in the recent period and up to the date of publication of the annual report. However, the occurrence of a corporate crisis may cause considerable damage to the Company. Therefore, the Company will continue to implement various corporate governance requirements to reduce the occurrence of corporate risks and their impact on the Company.

(7) Expected benefits and possible risks associated with any merger and acquisitions, and

mitigation measures being or to be taken: The Company has no plans to acquire other companies in the most recent year up to the publication date of this annual report.

- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: The Company has not engaged in any plant expansion in the most recent year up to the publication date of this annual report.
- (9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

A. Risks associated with over-concentration in purchase and response measures

The Company's products are mainly self-developed software licenses and agency distribution of software licenses of international software manufacturers. In-house R & D software In order to assist TWSE/TPEX listed companies in preparing their own consolidated financial statements and carbon management platform solutions, they are the agents and distributors of international software manufacturers, including Oracle, SAP, Quest, Cisco, One Identity, IBM and other international software manufacturers' software manufacturers' software authorization. In addition to the original factory authorization, the most important focus of the original factory and enterprise customers is whether the agent distributors can provide product value-added services to facilitate the smooth and stable use of these software products by customers.

The above-mentioned agency for the distribution of software from major international software manufacturers is a relatively concentrated purchase of Oracle's products, because Oracle's database products have a market share of more than five percent in the large corporate customer market, and are highly stable and very mainstream database products in the market, so the purchase share is relatively high compared with other agency distribution products. The company has worked with Oracle as a distribution agent for more than ten years. Oracle-related product technical capabilities and value-added services provided can meet the requirements and expectations of Oracle and corporate customers. Therefore, the company has always maintained a good and stable distribution agent cooperation.

In addition to distributing and distributing software licenses from Oracle, SAP, Quest, Cisco, One Identity, IBM and other major international software manufacturers, the Company also actively seeks to develop international and domestic excellent software and hardware suppliers, and is committed to providing corporate customers with more diversified software and hardware products and integrated value-added services to achieve the mission to enhance the long-term and reliable competitiveness of corporate customers.

B. Risks associated with over-concentration in sales and response measures

The Company is mainly engaged in the distribution and agency of international brands such as Oracle, SAP, Quest, Cisco, One Identity, and IBM, as well as the financial report solutions such as the self-developed enterprise group consolidated statement system (GCRS), financial note disclosure system (EZSO), profit center profit and loss statement system (PCIS) and carbon butler (Carbon CarenKeeper), and the provision of professional software construction and

maintenance services. In 2022 and 2023, sales to the top ten customers accounted for 40% and 41% of the net operating income, respectively. The Company's top ten customers accounted for no concentration of sales. In addition, there is no single customer that accounts for more than 20% of the company's turnover, so the company does not have a significant concentration of sales to a single customer.

- (10) Effect upon and risk to the company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, there has been no significant impact on the Company's operations caused by a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands.

- (11) Effects of, Risks Relating to and Response to the Changes in Management Rights:

In the most recent year and as of the publication date of the annual report, the Company has not had any changes in management rights.

- (12) For litigation or non-contentious events, the Company and its directors, general managers, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, arbitration, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date of litigation, main parties involved, and current status of the case as of the publication date of this annual report: None.

- (13) Other important risks and countermeasures: None.

7. Other important matters: None.

VIII. Special items to be included

1. Information related to the Company's affiliates

- (1) Consolidated business report of affiliates: Not applicable as the Company has no affiliates.
- (2) Consolidated Financial Statements: Not applicable as the Company has no affiliates.
- (3) Relationship Report: Not applicable as the Company has no affiliates.

2. Private Placement Securities in the Most Recent Years: None.

3. Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

4. Other necessary supplementary notes: None.

5. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Appendix 1. Financial Statements in the Most Recent Year

Independent Auditors' Report

M-Power Information Co., Ltd. Board of Directors The Board of Directors and Shareholders:

Audit Opinion

We have audited the accompanying financial statements of M-Power Information Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of income, changes in equity and cash flows of total for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. 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 International Code of Ethics for Professional Accountants (IESBA Code) and M-Power Information Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for opinions

Key audit matters

Key audit matters is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year 2023 of M-Power Information Co., Ltd.. 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. We have determined the matters described below to be the Key audit matters

to be communicated in our report.

Revenue recognition

Please refer to Note 4 (12) for accounting policies on revenue recognition. Please refer to note 6 (14) for revenue recognition.

Key audit matters Description:

M-Power Information Co., Ltd. primarily engages in the sale of computer software, Item engages in the design and integration of computer software and the provision of professional consulting services. The types of transactions are different. Revenue is recognized in a single transaction when performance obligations are satisfied and based on the degree of completion of the transaction on the reporting date. Since the judgment on the method and timing of revenue recognition will significantly affect the presentation of the financial statements of M-Power Information Co., Ltd., we have included revenue recognition as one of the important matters in the audit of the financial report for the year.

Audit Procedures:

Our main audit procedures for Key audit matters included the following:

- We obtained an understanding of the operations and industry characteristics of M-Power Information Co., Ltd. and reviewed the sales contracts to confirm whether the timing of revenue recognition and accounting treatment were appropriate.
- Test the design and implementation of internal control related to revenue recognition.
- Conducting trend analysis for the top ten customers, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year, to assess whether there are any significant abnormalities, and to identify and analyze the reasons for any significant changes.
- Sampled and verified sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amount of sales revenue, and the reasonableness of the time of accounting.
- Test a sample of sales transactions for a period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

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., the Financial Supervisory Commission, International Financial Reporting Standards , International Accounting Standards , IFRIC and Statement on Internal Control (SIC), 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 M-

Power Information Co., Ltd.'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 M-Power Information Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing M-Power Information Co., Ltd.'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 Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements 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 Auditing Standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; Design and implement appropriate countermeasures for the assessed risks; Obtain sufficient and appropriate audit evidence as a basis for Basis for opinions. 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 M-Power Information Co., Ltd. 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 M-Power Information Co., Ltd.'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 M-Power Information Co., Ltd. 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 accordance with fair.

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 International Code of Ethics for Professional Accountants (IESBA Code) 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 M-Power Information Co., Ltd. for the year ended December 31, 2023 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 Chun-I, Chang and Chun-Hsiu Kuang.

KPMG Taiwans
Taipei, Taiwan (The Republic of China)
February 27, 2024

Notes to Readers

The accompanying company only financial statements are intended only to present the 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 the company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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 the company only financial statements, the Chinese version shall prevail.

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)
Only reviewed, not audited in accordance with auditing standards
M-Power Information Co., Ltd.
Balance sheet
December 31, 2023 and 2022

Unit: NT \$thousands

Assets		2023.12.31		2022.12.31		Liabilities and Equity		2023.12.31		2022.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6 (1))	\$ 209,790	17	242,888	20	2100	Short-term borrowings (notes 6 (1), (6), 7 and 8)	\$ 95,000	8	150,565	13
1136	Current financial assets at amortized cost (notes 6 (1), (6) and 8)	-	-	3,580	-	2130	Current contract liabilities (note 6 (14))	91,288	7	35,059	3
1150	Notes receivable, net (note 6 (2) and (14))	126	-	402	-	2170	Accounts payable (note 7)	475,504	37	424,782	35
1170	Accounts receivable, net (note 6 (2) and (14))	555,256	44	473,222	40	2200	Other payables (note 6 (15))	57,054	5	60,671	5
1200	Other receivables	47	-	220	-	2230	Income tax liabilities for the current period	11,391	1	11,749	1
130X	Inventories (note 6 (3))	353,871	28	344,301	29	2280	Current lease liabilities (note 6 (8))	6,735	1	6,401	1
1410	Prepayments	6,565	-	6,061	1	2322	Long-term borrowings, current portion (Notes 6 (7) and 7)	11,948	1	-	-
1470	Other current assets	160	-	92	-	2399	Other current liabilities	5,229	-	2,257	-
	Current assets total	<u>1,125,815</u>	<u>89</u>	<u>1,070,766</u>	<u>90</u>		Current liabilities total	<u>754,149</u>	<u>60</u>	<u>691,484</u>	<u>58</u>
15xx	Non-current assets:					25xx	Non-current liabilities:				
1600	Property, plant and equipment (note 6 (4))	1,148	-	2,236	-	2540	Long-term borrowings (notes 6 (7) and 7)	11,221	1	-	-
1755	Right-of-use assets (note 6 (5) and (8))	21,556	2	27,034	2	2580	Non-current lease liabilities (note 6 (8))	15,644	1	21,444	2
1780	Intangible assets	784	-	841	-	2640	Net defined benefit liability, non-current (note 6 (9))	3,427	-	3,534	-
1840	Deferred income tax assets (note 6 (10))	1,525	-	1,547	-		Total non-current liabilities	<u>30,292</u>	<u>2</u>	<u>24,978</u>	<u>2</u>
1920	Guarantee deposits paid	23,376	2	18,930	2	2xxx	Total liabilities	<u>784,441</u>	<u>62</u>	<u>716,462</u>	<u>60</u>
1930	Long-term receivables (note 6 (2) and (14))	96,620	7	75,761	6	31xx	Equity attributable to owners of parent (notes 6 (9), (10) and (11)):				
	Non-current assets total	<u>145,009</u>	<u>11</u>	<u>126,349</u>	<u>10</u>	3110	Ordinary shares	<u>220,000</u>	<u>17</u>	<u>220,000</u>	<u>18</u>
						3200	Capital surplus	<u>133,284</u>	<u>10</u>	<u>133,284</u>	<u>11</u>
						3300	Retained earnings:				
						3310	Legal reserve	35,239	3	25,963	2
						3350	Unappropriated earnings	97,860	8	101,406	9
							Retained earnings total	<u>133,099</u>	<u>11</u>	<u>127,369</u>	<u>11</u>
						3xxx	Total equity	<u>486,383</u>	<u>38</u>	<u>480,653</u>	<u>40</u>
1xxx	Total assets	<u>\$ 1,270,824</u>	<u>100</u>	<u>1,197,115</u>	<u>100</u>	23xx	Total liabilities and equity	<u>\$ 1,270,824</u>	<u>100</u>	<u>1,197,115</u>	<u>100</u>

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)
Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.
Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT \$thousands

	2023		2022	
	Amount	%	Amount	%
4110 Operating revenue (note 6 (14))	\$ 1,604,345	100	1,481,937	100
4190 Less: Sales discounts and allowances	5,566	-	5,171	-
Net operating revenue	1,598,779	100	1,476,766	100
5000 Operating costs (notes 6 (3), (4), (5), (9) and 7)	1,367,877	86	1,256,104	85
5900 Gross profit	230,902	14	220,662	15
6000 Operating expenses (notes 6 (2), (4), (5), (8), (9), (15) and 7):				
6100 Selling and marketing expenses	57,845	4	51,173	4
6200 Administrative expenses	37,182	2	33,784	2
6300 Research and development expenses	20,386	1	16,771	1
6450 Reversal of expected credit loss	(25)	-	(82)	-
total	115,388	7	101,646	7
6900 PROFIT FROM OPERATIONS	115,514	7	119,016	8
7000 Non-operating income and expenses (notes 6 (5), (8) and (16)):				
7100 Interest income	1,110	-	246	-
7020 Other gains and losses	2,364	-	1,687	-
7050 Finance costs	(6,962)	-	(6,526)	-
Non-operating income and expenses total	(3,488)	-	(4,593)	-
7900 Net profit before tax	112,026	7	114,423	8
7950 Less: expenses of income tax (note 6 (10))	22,594	1	22,866	2
8200 Net income	89,432	6	91,557	6
8300 Other gains (losses) of total (notes 6 (9) and (10)):				
8310 Item that will not be reclassified to profit or loss				
8311 Remeasurement of defined benefit plans	(127)	-	1,510	-
8349 Less: Adjustments relating to Item that will not be reclassified to profit or loss	(25)	-	302	-
8300 Other losses of total	(102)	-	1,208	-
8500 Total gains and losses of total for the period	\$ 89,330	6	92,765	6
Earnings per share (Unit: NT \$, Note 6 (13))				
9750 Basic earnings per share	\$ 4.07		4.81	
9850 Diluted earnings per share	\$ 4.04		4.72	

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)
Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.
Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT \$thousands

	Common		Retained earnings			Total equity
	Shares capital	Share Capital surplus	Statutory earnings Surplus reserve	Undistributed Surplus	total	
Balance at January 1, 2022	\$ 145,000	26,600	18,740	81,114	99,854	271,454
Appropriation and distribution of earnings:						
Legal reserve	-	-	7,223	(7,223)	-	-
Cash dividends	-	-	-	(21,750)	(21,750)	(21,750)
Stock dividends	43,500	-	-	(43,500)	(43,500)	-
Net income	-	-	-	91,557	91,557	91,557
Other losses of total	-	-	-	1,208	1,208	1,208
Total gains and losses of total for the period	-	-	-	92,765	92,765	92,765
Cash capital increase	31,500	106,684	-	-	-	138,184
Balance as of December 31, 2022	220,000	133,284	25,963	101,406	127,369	480,653
Appropriation and distribution of earnings:						
Legal reserve	-	-	9,276	(9,276)	-	-
Cash dividends	-	-	-	(83,600)	(83,600)	(83,600)
Net income	-	-	-	89,432	89,432	89,432
Other losses of total	-	-	-	(102)	(102)	(102)
Total gains and losses of total for the period	-	-	-	89,330	89,330	89,330
Balance at December 31, 2023	\$ 220,000	133,284	35,239	97,860	133,099	486,383

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)

Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT \$thousands

	2023	2022
Cash flows from operating activities:		
Profit before tax	\$ 112,026	114,423
Adjustment of Item:		
Item		
Depreciation expense	7,524	7,427
Amortization expense	431	132
Reversal of expected credit loss	(25)	(82)
Interest expense	6,962	6,526
Interest income	(1,110)	(246)
Gain on lease modification	(5)	(18)
Item total	<u>13,777</u>	<u>13,739</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	276	113
Accounts receivable	(82,009)	(195,198)
Other receivables	173	(179)
Inventories	(9,570)	(307,105)
Prepayments	(504)	(3,285)
Other current assets	(68)	(77)
Long-term receivables	(20,859)	(50,461)
Changes in operating assets total	<u>(112,561)</u>	<u>(556,192)</u>
Changes in operating liabilities:		
Contract liabilities	56,229	(2,265)
Accounts payable	50,722	314,567
OTHER PAYABLES	(3,617)	2,965
Other current liabilities	2,972	(2,222)
Net defined benefit liabilities	(234)	(247)
Changes in operating liabilities total	<u>106,072</u>	<u>312,798</u>
Changes in operating assets and liabilities total	<u>(6,489)</u>	<u>(243,394)</u>
Item total	<u>7,288</u>	<u>(229,655)</u>
Cash inflow (outflow) generated from operations	119,314	(115,232)
Interest received	1,110	246
Interest paid	(6,962)	(6,526)
income tax	(22,905)	(24,958)
Net cash flows from (used in) operating activities	<u>90,557</u>	<u>(146,470)</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	-	(3,000)
Proceeds from disposal of financial assets at amortized cost	3,580	-
Acquisition of property, plant and equipment	-	(702)
Increase in refundable deposits	(4,446)	(2,271)
Acquisition of intangible assets	(374)	(906)
Net cash used in investing activities	<u>(1,240)</u>	<u>(6,879)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(55,565)	122,565
Proceeds from long-term borrowings	30,000	-
Repayments of long-term borrowings	(6,831)	-
Repayment of lease principal	(6,419)	(6,113)
Cash dividends	(83,600)	(21,750)
Cash capital increase	-	138,184
Net cash flows from (used in) financing activities	<u>(122,415)</u>	<u>232,886</u>
Net increase (decrease) in cash and cash equivalents	<u>(33,098)</u>	<u>79,537</u>
Cash and cash equivalents at beginning of period	<u>242,888</u>	<u>163,351</u>
Cash and cash equivalents at end of period	<u>\$ 209,790</u>	<u>242,888</u>

(See the attached notes to financial statements)

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

M-Power Information Co., Ltd. Notes to Financial Statements 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

M-Power Information Co., Ltd. (the “Company”) was incorporated on September 10, 1999 under the provisions of the Company Law of the Republic of China Ministry of Economic Affairs. On December 22, 2021, the Company began trading in the emerging stock market of Taipei Exchange, and on May 3, 2022, the Company began trading in the emerging stock market. In addition, the Company has been trading Taipei Exchange on TPEx since December 14, 2022. Item is engaged in the wholesale and retail of information software, and the provision of professional consulting, education and training and technical services.

2. Date and Procedures of Approval of the Financial Reports

The financial statements were approved by the board of directors and authorized for issue on February 27, 2024.

3. Application of new, amended and revised standards and interpretations

(1) Effect of the adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission (hereinafter referred to as the Financial Supervisory Commission)

The Company has applied the following new amendments to International Financial Reporting Standards from January 1, 2023, which did not have a significant impact on the financial statements.

- Amendments to International Accounting Standards “Disclosure of Accounting Policies”
- Amendments to International Accounting Standards “Definition of Accounting Estimates”
- Amendments to International Accounting Standards “Deferred Tax related to Assets and Liabilities arising from a Single Transaction income tax”

The Company applied the following new amendments to International Financial Reporting Standards from May 23, 2023, which did not have a significant impact on its financial statements.

- Amendment to International Accounting Standards No. 12, “International Tax Reform-Pillar Two Rules Template”

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

(2) Effect of the Financial Supervisory Commission-endorsed International Financial Reporting Standards not yet adopted

The Company assesses that the adoption of the following new amendments to International Financial Reporting Standards starting from January 1, 2024 will not have any material impact on its financial statements.

- Amendments to International Accounting Standards “Classification of Liabilities as Current or Non-current”
- Amendments to International Accounting Standards No. 1 “Non-current liabilities with contract terms”
- Amendments to International Accounting Standards and International Financial Reporting Standards “Supplier Financing Arrangements”
- Amendment to International Financial Reporting Standards No. 16 “Lease liabilities in sale and leaseback”

(3) New and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

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

- Amendments to International Financial Reporting Standards No. 10 and International Accounting Standards No. twenty-eight “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to International Financial Reporting Standards “Insurance Contracts” and International Financial Reporting Standards “Insurance Contracts”
- Amendments to International Financial Reporting Standards “Initial Application of IFRS 17 and IFRS 9 Comparative Information”
- Amendment to International Accounting Standards No. twenty-one “Lack of marketability”

4. Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(1) Statement of compliance

These financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. (“the Regulations”) and the Financial Supervisory Commission endorsed and issued into effect by the FSC, International Financial Reporting Standards, International Accounting Standards, IFRIC

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Interpretations, and Statement on Internal Control (SIC) (“International Financial Reporting Standards endorsed by the FSC”).

(2) Basis of preparation

A. Basis of measurement

The financial statements have been prepared on the historical cost basis except for net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets and the effect of the asset ceiling mentioned in note 4 (13).

B. 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 Dollar (NTD), which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at that date.

Fair value non-monetary assets and liabilities denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities 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 arising on retranslation are recognized in profit or loss.

(4) 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.

- A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - B. The Company holds the asset primarily for the purpose of trading.
 - C. The Group expects to realize the asset within twelve months after the reporting period;
- Or
- D. 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

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

period.

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

- A. The Company expects to settle the liability in its normal operating cycle
- B. The Company holds the liability primarily for the purpose of trading.
- C. The liability is due to be settled within twelve months after the reporting period; Or
- D. 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 the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and checking deposits. 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.

(6) Financial instruments

Accounts receivable are 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), Fair value, transaction costs that are directly attributable to its acquisition or issue.

A. 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.

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.

(A) 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 under Fair value:

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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

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.

(B) 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, amortized costs, notes and accounts receivable, other receivable and guarantee deposit paid).

If the credit risk of bank deposits, financial assets measured at amortized cost, other receivables and refundable deposits (that is, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since the original recognition, it is measured as the 12-month expected credit loss amount.

Loss allowance for notes and accounts receivable are 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 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 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 Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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 and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

significant financial difficulty of the borrower or issuer;

- Default, such as delay or overdue for more than one year;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; Or
- the disappearance of an active market for a security 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.

(C) 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

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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.

B. Financial liabilities

(A) Financial liabilities

Financial liabilities are measured at amortized cost. 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.

(B) Equity transactions

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 are recognized as the amount of consideration received, less the direct cost of issuing.

(C) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. 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.

(D) 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.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method and includes expenditure and other costs incurred in bringing them to their present location and condition. Net realizable

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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

(8) Property, plant and equipment

A. Recognition and measurement

Item is measured at cost 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 under Item.

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

B. 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.

C. Depreciation

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 life of office equipment is 3 ~ 5 years.

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

(9) Leasing-lessee

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.

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

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

that are not paid at the commencement date. 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:

- A. fixed payments, including in-substance fixed payments;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable under a residual value guarantee; and
- D. the exercise price or penalty to be paid when the purchase option or lease termination option is reasonably determined to be exercised.

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

- A. there is a change in future lease payments arising from the change in an index or rate; or
- B. There is a change in the amount of residual value guarantee expected to be paid;
- C. there is a change in the evaluation of the underlying asset purchase option;
- D. there is a change of its assessment on whether it will exercise an extension or termination option; or
- E. any lease modifications in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, 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 Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less 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.

(10) Intangible assets

A. Recognition and measurement

Computer software with finite useful lives that are acquired by the Company

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

are measured at cost less accumulated amortization and any accumulated impairment losses.

B. 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.

C. Amortization

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.

Amortization of computer software is recognized in profit or loss on a straight-line basis over the estimated useful lives of 3 years from the date that they are available for use.

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

(11) 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 income tax) 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 CGUs.

The recoverable amount of an asset or CGU is the greater 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 CGU.

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

(12) Revenue recognition

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 accounting policies for the Company's main types of revenue are explained below under Item:

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

A. Sale of goods

Revenue is recognized when control over the products has been transferred to the customer. The control of the products has transferred when the products are delivered to the customer, the customer has full discretion over the use of 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.

B. 2. Service revenue

The Company provides product maintenance and consulting services. If the outcome of services provided can be estimated reliably, revenue is recognized by reference to the stage of completion at the reporting date. The Company measures the stage of completion of the transaction based on the stage of completion of services performed.

If the contract includes an hourly fee, revenue is recognized in the amount to which the Company has a right to invoice. Customers are invoiced on a monthly basis and a consideration is payable when invoiced.

(13) Employee benefits

A. Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. 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

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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 total gains and losses, 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.

C. 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.

(14) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met. The amount ultimately recognized is based on the number of awards that meet the service conditions and non-market vesting conditions on the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company informs its employee of the subscription price and the number of shares that can be subscribed.

(15) income tax

income tax includes current and deferred income tax. Except for those related to business combinations, directly recognized in equity or other total profit or loss, current

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

income tax and deferred income tax should be recognized in profit or loss.

Current income tax includes an estimate of tax payables or receivables from income tax based on taxable profit (losses) for the year and any adjustment to tax payables or receivables from income tax 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.

Deferred income tax measures temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences of income tax to the extent that it is probable that future taxable profits will be available against which they can be utilized. It will be re-evaluated on each reporting day, and the relevant income tax interests will be reduced to the extent that it is not likely to be realized; or to the extent that it becomes probable that sufficient taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred income tax is 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.

Deferred income tax assets and deferred income tax liabilities are offset if the following criteria are met:

- A. The Company has a legally enforceable right to set off current income tax assets against current income tax liabilities; and
- B. The deferred assets of income tax and the deferred liabilities of income tax relate to income taxes levied by the same taxation authority on either:
 - (A) the same taxable entity; Or
 - (B) different taxable entities which intend to settle current income tax's liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax's assets are expected to be recovered and deferred income tax's liabilities are expected to be settled.

(16) 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

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

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. The Company's dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(17) Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of the financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make 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. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying the accounting policies that have 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.

6. Item Description of Significant Accounts

(1) Cash and cash equivalents

	<u>2023.12.31</u>	<u>2022.12.31</u>
Demand deposits	\$ 209,100	242,198
Check deposits	690	690
	<u>\$ 209,790</u>	<u>242,888</u>

Please refer to note 6 (17) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company. In addition, due to the application for a loan line from the bank on December 31, 2022, the Company used NT \$3,580,000 of demand deposits as collateral, which were recorded under financial assets measured at amortized cost-current. Please refer to Note 8 for more details on collateral.

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

(2) Notes and accounts receivable

	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivable	\$ 126	402
Accounts receivable	555,256	473,247
Long-term receivables	100,523	78,280
Less: Allowance for doubtful accounts	-	(25)
Unrealized interest income-long-term receivables	(3,903)	(2,519)
	<u>\$ 652,002</u>	<u>549,385</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable 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. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

As of December 31, 2023 and 2022, the expected credit loss analysis of the Company's notes receivable and accounts receivable is as follows:

	<u>2023.12.31</u>		
	<u>Notes and accounts receivable Carrying amount</u>	<u>Expected weighted average Credit loss rate (%)</u>	<u>Loss allowance for lifetime expected credit losses</u>
Not past due	\$ 648,623	-	-
Past due 31-60 days	4,108	-	-
91 to 120 days past due	<u>3,174</u>	-	<u>-</u>
	<u>\$ 655,905</u>		<u>-</u>
	<u>2022.12.31</u>		
	<u>Notes and accounts receivable Carrying amount</u>	<u>Expected weighted average Credit loss rate (%)</u>	<u>Loss allowance for lifetime expected credit losses</u>
Not past due	\$ 546,343	-	-
1 to 30 days past due	2,332	-	-
Past due 31-60 days	2,672	0.34	9
61 to 90 days past due	539	2.04	11

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

121 to 180 days past due	<u>43</u>	11.63	<u>5</u>
	<u>\$ 551,929</u>		<u>25</u>

	2023	2022
Beginning balance	\$ 25	107
Reversal of impairment loss	<u>(25)</u>	<u>(82)</u>
Ending balance	<u>\$ -</u>	<u>25</u>

As of December 31, 2023 and 2022, the Company's accounts receivable were not discounted or pledged as collateral.

(3) Inventories

	2023.12.31	2022.12.31
Merchandise inventory	\$ 358,070	348,500
Allowance for inventory valuation losses	<u>(4,199)</u>	<u>(4,199)</u>
	<u>\$ 353,871</u>	<u>344,301</u>

The cost of goods sold recognized by the Company in the current period is as follows:

	2023	2022
Cost of inventories sold	\$ 1,320,389	1,218,535
Gain on reversal of inventory write-downs	-	(4,908)
Service and maintenance costs	<u>47,488</u>	<u>42,477</u>
	<u>\$ 1,367,877</u>	<u>1,256,104</u>

As of December 31, 2023 and 2022, no inventories of the Company were pledged as collateral.

(4) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company in 2023 and 2022 are detailed as follows:

	Office equipment
Costs:	
Balance at January 1, 2023	\$ 5,355
Disposals	<u>(358)</u>
Balance at December 31, 2023	<u>\$ 4,997</u>
Balance at January 1, 2022	\$ 6,772
Additions	702
Disposals	<u>(2,119)</u>
Balance as of December 31, 2022	<u>\$ 5,355</u>
Accumulated depreciation:	

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Balance at January 1, 2023	\$ 3,119
Depreciation	1,088
Disposals	<u>(358)</u>
Balance at December 31, 2023	<u>\$ 3,849</u>
Balance at January 1, 2022	\$ 4,046
Depreciation	1,192
Disposals	<u>(2,119)</u>
Balance as of December 31, 2022	<u>\$ 3,119</u>
Carrying amounts:	
Balance at December 31, 2023	<u>\$ 1,148</u>
Balance as of December 31, 2022	<u>\$ 2,236</u>

As of December 31, 2023 and 2022, no property, plant and equipment of the Company were pledged as collateral.

(5) Right-of-use assets

The Company leases many assets including buildings and transportation equipment. Information about leases for which the Company as a lessee is presented below:

	<u>Buildings and structures</u>	<u>Transportatio n equipment</u>	<u>Total</u>
Cost of right-of-use assets:			
Balance at January 1, 2023	\$ 43,712	2,659	46,371
Additions	1,469	-	1,469
Contractual maturities	<u>(800)</u>	<u>-</u>	<u>(800)</u>
Balance at December 31, 2023	<u>\$ 44,381</u>	<u>2,659</u>	<u>47,040</u>
Balance at January 1, 2022	\$ 43,996	2,229	46,225
Additions	800	2,659	3,459
Contractual maturities	<u>(1,084)</u>	<u>(2,229)</u>	<u>(3,313)</u>
Balance as of December 31, 2022	<u>\$ 43,712</u>	<u>2,659</u>	<u>46,371</u>
Accumulated depreciation and impairment losses:			
Balance at January 1, 2023	\$ 18,598	739	19,337
Depreciation	5,550	886	6,436
Contractual maturities	<u>(289)</u>	<u>-</u>	<u>(289)</u>
Balance at December 31, 2023	<u>\$ 23,859</u>	<u>1,625</u>	<u>25,484</u>
Balance at January 1, 2022	\$ 13,737	2,167	15,904
Depreciation	5,434	801	6,235
Contractual maturities	<u>(573)</u>	<u>(2,229)</u>	<u>(2,802)</u>

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Balance as of December 31, 2022	\$	<u>18,598</u>	<u>739</u>	<u>19,337</u>
Carrying amounts:				
Balance at December 31, 2023	\$	<u>20,522</u>	<u>1,034</u>	<u>21,556</u>
Balance as of December 31, 2022	\$	<u>25,114</u>	<u>1,920</u>	<u>27,034</u>

(6) Short-term loans

The details of short-term loans of the Company are as follows:

		<u>2023.12.31</u>	<u>2022.12.31</u>
Unsecured loans	\$	<u>95,000</u>	<u>150,565</u>
Unused credit lines	\$	<u>499,000</u>	<u>351,435</u>
Interest Rate (%)		<u>0.50 ~ 2.51</u>	<u>1.87 ~ 2.54</u>

For the collateral for long-term borrowings, please refer to note 8.

(7) Long-term borrowings

Details, conditions, and terms of long-term loans of the Company are as follows:

		<u>2023.12.31</u>		
		<u>Range of</u>	<u>Maturity</u>	
	<u>Currency</u>	<u>interest rates</u>	<u>date</u>	<u>Amount</u>
Unsecured loans	TWD	2.53	2025.11.19	\$ 23,169
Less: current portion				(11,948)
				<u>\$ 11,221</u>
Unused credit lines				<u>\$ -</u>

During the year ended December 31, 2023, the Company obtained new borrowings in the amount of NT \$30,000,000, with an interest rate of 2.53%. The maturity date is from May 2023 to November 2025, and the amount repaid in 2023 is NT \$6,831,000.

(8) Lease liabilities

The carrying amount of lease liabilities was as follows:

		<u>2023.12.31</u>	<u>2022.12.31</u>
Current	\$	6,735	6,401
Non-current		15,644	21,444
total	\$	<u>22,379</u>	<u>27,845</u>

For the maturity analysis, please refer to note 6 (17).

The amounts recognized in profit or loss were as follows:

		<u>2023</u>	<u>2022</u>
Interest on lease liabilities	\$	466	570
Expenses relating to short-term leases	\$	24	12

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$	<u>294</u>	<u>22</u>
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The amounts recognized in the statement of cash flows for the Company were as follows:

	<u>2023</u>	<u>2022</u>
Total cash outflow from operating activities	\$ 784	604
Total cash outflow from financing activities	<u>6,419</u>	<u>6,113</u>
Total cash outflow for leases	<u>\$ 7,203</u>	<u>6,717</u>

The Company leases houses and buildings as office premises and leases transportation equipment for operational use. The lease period of office premises is usually five years, and the lease period of transportation equipment is three years.

(9) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Present value of defined benefit obligations	\$ 9,997	9,680
Plan assets at fair value	<u>(6,570)</u>	<u>(6,146)</u>
Net defined benefit liabilities	<u>\$ 3,427</u>	<u>3,534</u>

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 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.

(A) Composition of plan assets

The Company allocates pension funds in accordance with Labor Standards Act, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, 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 also established a pension fund in accordance with the "Regulations Governing the Management, Investment, and Distribution of the Employees' Retirement Fund Established by a Profit-seeking Enterprise", which is deposited in a designated financial

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

institution with a time or demand deposit account. The use of the pension fund is completely separated from the Company, and the principal and interest of the fund shall not be used in any name other than the payment of pension and severance to employees.

As of December 31, 2023, the balance of the Company's labor retirement reserve account and employee pension account at Bank of Taiwan was NT \$6,499,000. 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.

(B) Movements in present value of defined benefit obligations

Movements in the present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	\$ 9,680	10,708
Current service costs	-	-
Interest cost	169	67
Remeasurement on the net defined benefit liabilities (assets)		
- Actuarial gains and losses arising from experience adjustments	13	349
- Actuarial gains and losses arising from changes in financial assumptions	135	(1,444)
Defined benefit obligations at December 31	<u>\$ 9,997</u>	<u>9,680</u>

(C) Movements in the fair value of plan assets

The movements in the fair value of the defined benefit plan assets of the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	\$ (6,146)	(5,417)
Interest income	(110)	(35)
Remeasurement of net defined benefit liabilities		
-Actuarial gains and losses (excluding current interest)	(21)	(415)
Amount contributed to the plan	(293)	(279)
Fair value of plan assets at December 31	<u>\$ (6,570)</u>	<u>(6,146)</u>

(D) Movements of the effect of the asset ceiling

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

For the years ended December 31, 2023 and 2022, there was no effect of the asset ceiling.

(E) Expenses recognized in profit or loss

The Company's expenses recognized in 2023 and 2022 are as follows:

	2023	2022
Net interest of net liabilities for defined benefit obligations	\$ 59	32

(F) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2023.12.31	2022.12.31
Discount rate	1.625%	1.750%
Future salary increasing rate	1.750%	1.750%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after December 31, 2023 is \$302,000. The weighted average lifetime of the defined benefit plans is 12.46 years.

(G) 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	
	Increase 0.25%	0.25% decrease
December 31, 2023		
Discount rate	(268)	277
Future salary increase rate	271	(263)
December 31, 2022		
Discount rate	(290)	300
Future salary increase rate	295	(285)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

B. Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with Labor

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension expenses under the Company's defined contribution pension plan for 2023 and 2022 are NT \$4,648 and NT \$4,245, respectively.

(10) income tax

A. The Company's income tax expenses (benefits) for 2023 and 2022 are detailed as follows:

	<u>2023</u>	<u>2022</u>
income tax expense (gain)		
Arising during the period	\$ 22,358	21,627
Prior year income tax (overestimation)	189	(19)
	<u>22,547</u>	<u>21,608</u>
Deferred income tax expense		
Origination of temporary differences	47	1,258
income tax Fee	<u>\$ 22,594</u>	<u>22,866</u>

The expenses (benefits) of total recognized under other income tax for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Item that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ (25)</u>	<u>302</u>

Reconciliation of income tax expense and profit before tax for 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Net profit before tax	<u>\$ 112,026</u>	<u>114,423</u>
income tax calculated based on the Company's tax rate	\$ 22,405	22,885
Prior year income tax (overestimation)	189	(19)
total	<u>\$ 22,594</u>	<u>22,866</u>

B. Recognized deferred assets and liabilities of income tax

The movements of deferred income tax assets for the years ended December 31, 2023 and 2022 were as follows:

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

	Allowance for inventories Loss on market price decline	Defined benefits Remeasur ements	Refund liabilities Provision	total
January 1, 2023	\$ 840	707	-	1,547
Recognized in profit (loss)	-	(47)	-	(47)
Recognized in other total income	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
December 31, 2023	<u>840</u>	<u>685</u>	<u>-</u>	<u>1,525</u>
January 1, 2022	\$ 1,822	1,058	227	3,107
Recognized in profit (loss)	(982)	(49)	(227)	(1,258)
Recognized in other total income	<u>-</u>	<u>(302)</u>	<u>-</u>	<u>(302)</u>
December 31, 2022	<u>\$ 840</u>	<u>707</u>	<u>-</u>	<u>1,547</u>

C. Approval of income tax

The settlement declaration of the Company's profit-making business, income tax, has been approved by the tax authorities until 2020.

(11) Share capital and other interests

A. Issuance of ordinary shares

As of December 31, 2023 and 2022, the Company's authorized capital stock is NT \$300,000,000, with a par value of NT \$10 per share. All issued shares were ordinary shares of 220,000,000 shares, and all issued shares were paid up upon issuance.

On June 10, 2022, Resolution, the Company issued 4,350,000 new shares through capitalization of undistributed earnings, and set October 3, 2022 as the base date for capital increase. The relevant statutory change registration procedures have been completed.

On October 17, 2022, the Board of Directors of the Company approved by Resolution. In order to handle the pre-listing public underwriting case, it is proposed to issue 3,150,000 ordinary shares with cash capital increase and the underwriting price is NT \$44.88 per share. This capital increase case was approved by the competent authority on November 8, 2022, and the base date of capital increase was December 12, 2022. The total amount of stock payment received by total was NT \$138,184,000, which has been fully received.

B. Capital reserve

The components of capital surplus were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Share premium	<u>\$ 133,284</u>	<u>133,284</u>

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

According to Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount of total.

C. Retained earnings

Under Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside ten percent of the remaining profit as a legal reserve, unless the legal reserve has reached the Company's paid-in capital. In addition, depending on the Company's operating needs and legal regulations, special surplus reserves shall be provided. If there is still a surplus, it shall be combined with the undistributed surplus at the beginning of the same period, and the board of directors shall draft a surplus distribution plan and submit it to the shareholders' meeting Resolution for distribution.

The Company shall set aside no less than ten (10) percent of the current year's distributable earnings as shareholders' dividends each year. If there is a loss for the current year or there is still a surplus in previous years, the Company may distribute the earnings of previous years. However, if the accumulated distributable earnings in the current year are less than ten (10) percent of the Company's paid-in capital, no dividend shall be distributed to shareholders. When distributing dividends to shareholders, the distribution may be made in cash or stock, and cash dividends shall not be less than ten percent of the distributable earnings of the current year.

(1) Legal reserve

If the Company incurs no loss for the year, the distribution of the legal reserve, either by issuing new shares or by cash, shall be decided at the shareholders' meeting Resolution, and only the portion of legal reserve which exceeds the paid-in capital of \$twenty-five may be distributed.

(2) Earnings distribution

The Company passed the 2022 and 2021 earnings distribution of Resolution on June 9, 2023 and June 10, 2022, respectively. The amounts of dividends distributed to shareholders were as follows:

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

	<u>2022</u>		<u>2021</u>	
	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 3.80	83,600	1.50	21,750
Stocks	-	<u>-</u>	3.00	<u>43,500</u>
		<u>\$ 83,600</u>		<u>65,250</u>

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on February 27, 2024. The appropriation and dividends per share were as follows:

	<u>2023</u>	
	<u>Dividends per share (in dollars)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:		
Cash	\$ 3.80	<u>83,600</u>

Information on the earnings distribution of the Company's shareholders meeting, Resolution, can be inquired about Market Observation Post System.

(12) Share-based payments

Information on the Company's share-based payment transactions for the year ended December 31, 2022 is as follows:

	<u>2022</u>
	<u>Cash capital increase reserved for employee subscription</u>
Grant date	2022/12/1
Grant quantity	341 units
Contract period (year)	0.0250
Granted to	Qualified employees
Vesting conditions	Immediately vested

A. Measurement parameters of fair value on grant date

The Company adopted the BlackScholes option evaluation model to estimate the fair value of the share-based payment on the grant date. The input values of the model are as follows:

<u>2022</u>
<u>Cash capital increase reserved for employee</u>

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

	<u>subscription</u>
Fair value of grant day	0.4100
Exercise price (NT \$)	44.88
Option duration (year)	0.0250
Expected dividend (%)	-
Risk-free interest rate (%)	0.85

B. Details of the employee stock option plan are as follows:

	<u>2022</u>	
	<u>Weighted average exercise price Contract price (NT \$)</u>	<u>Subscription quantity</u>
Outstanding as of January 1	\$ -	-
Granted quantity in current period	44.88	341
Quantity executed in current period	44.88	<u>(341)</u>
Outstanding as of December 31	-	<u>-</u>
Executable as of December 31	-	<u>-</u>

The Company did not have any share-based payment transactions in 2023.

(13) Earnings Per Share

	<u>2023</u>	<u>2022</u>
Basic earnings per share:		
Net income	<u>\$ 89,432</u>	<u>91,557</u>
Weighted-average number of ordinary shares outstanding (shares in thousands)	<u>22,000</u>	<u>19,022</u>
Basic earnings per share (NT dollars)	<u>\$ 4.07</u>	<u>4.81</u>
Diluted earnings per share:		
Net income	<u>89,432</u>	<u>91,557</u>
Weighted-average number of ordinary shares outstanding (shares in thousands)	22,000	19,022
Dilutive potential ordinary shares-employee remuneration (Unit: thousand shares)	157	381
Weighted-average number of shares outstanding used in the computation of diluted earnings per share (in thousands)	<u>22,157</u>	<u>19,403</u>
Diluted earnings per share (NT dollars)	<u>\$ 4.04</u>	<u>4.72</u>

(14) Revenue from contracts with customers

A. Disaggregation of revenue

<u>2023</u>	<u>2022</u>
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M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Primary geographical markets:

Taiwan	\$	1,592,273	1,469,921
Other countries		<u>6,506</u>	<u>6,845</u>
	\$	<u>1,598,779</u>	<u>1,476,766</u>

Major products/services lines:

Sale of computer software	\$	1,465,098	1,373,404
Service and maintenance income		138,613	108,123
Other:		634	410
Less: Sales returns and allowances		<u>(5,566)</u>	<u>(5,171)</u>
	\$	<u>1,598,779</u>	<u>1,476,766</u>

B. Contract balances

	<u>2023.12.31</u>	<u>2022.12.31</u>	<u>2022.1.1</u>
Notes and accounts receivable (including long-term receivables)	\$ 655,905	551,929	303,864
Less: Allowance for doubtful accounts	-	(25)	(107)
Less: Unrealized interest revenue	<u>(3,903)</u>	<u>(2,519)</u>	<u>-</u>
total	<u>\$ 652,002</u>	<u>549,385</u>	<u>303,757</u>
Contract liabilities	<u>\$ 91,288</u>	<u>35,059</u>	<u>37,324</u>

For details on notes and accounts receivable and allowance for impairment, please refer to note 6 (b).

Revenue recognized that was included in the contract liability balance at the beginning of the year ended December 31, 2023 and 2022 was \$35,059,000 and \$37,324,000, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(15) Remuneration to employees, directors and supervisors

In accordance with the Company's Articles of Incorporation amended on August 18, 2021, 10% of the profit, if any, shall be appropriated as employee compensation and no more than 3% of the profit shall be appropriated as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. In addition, on January 24, 2022, due to the re-election of directors and supervisors, the Company's Articles of Incorporation were amended to replace the supervisors by the Audit Committee, and the remuneration of directors and supervisors was revised to the

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

remuneration of directors and supervisors. The remuneration of directors in the preceding paragraph can only be paid in cash.

For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$16,816,000 and \$15,795,000, respectively; while directors' and supervisors' remuneration was accrued at \$1,440,000 and \$1,403,000, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding employees' compensation, multiplied by the percentage of employees' compensation distributed in accordance with Articles of Incorporation. These remunerations were expensed under operating expenses for the years ended December 31, 2023 and 2022. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. If the board of directors Resolution distributes employee compensation in stock, the number of shares of stock compensation is calculated based on the closing price of the common stock on the day before the board of directors Resolution.

There is no difference between the amount of remuneration distributed to employees and directors by the board of directors of Resolution in 2023 and 2022 and the estimated amount in the Company's financial statements in 2023 and 2022. For relevant information, please visit Market Observation Post System.

(16) Non-operating income and expenses

A. Interest income

	<u>2023</u>	<u>2022</u>
Interest on bank deposits	\$ 1,099	231
Interest income from deposit	11	15
	<u>\$ 1,110</u>	<u>246</u>

B. Other gains and losses

	<u>2023</u>	<u>2022</u>
Commission income	\$ 1,720	2,143
Gain on lease modification	5	18
Net foreign exchange losses	(384)	(434)
Other gains (losses)	1,023	(40)
	<u>\$ 2,364</u>	<u>1,687</u>

C. Finance Costs

	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank loans	\$ 6,496	5,956
Lease liabilities	466	570

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

\$ 6,962 6,526

(17) Financial instruments

A. Credit risk

(A) Maximum credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(B) Concentration of credit risk

The Company's customer base is large and unrelated, so the concentration of credit risk is limited.

(C) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6 (2).

B. Liquidity risk

The following table shows the contractual maturities of the Company's financial liabilities, excluding estimated interest payments.

	<u>Carrying Amount</u>	<u>Contract Cash flow</u>	<u>Within 1 year</u>	<u>12 years</u>	<u>25 years</u>	<u>Over 5 years</u>
December 31, 2023						
Non-derivative financial liabilities						
Short-term loans	\$ 95,000	95,000	95,000	-	-	-
Accounts payable	475,504	475,504	475,504	-	-	-
OTHER PAYABLES	57,054	57,054	57,054	-	-	-
Lease liabilities	22,379	22,379	6,735	6,097	9,547	-
Long-term loans	<u>23,169</u>	<u>23,169</u>	<u>11,948</u>	<u>11,221</u>	<u>-</u>	<u>-</u>
	<u>\$ 673,106</u>	<u>673,106</u>	<u>646,241</u>	<u>17,318</u>	<u>9,547</u>	<u>-</u>
December 31, 2022						
Non-derivative financial liabilities						
Short-term loans	\$ 150,565	150,565	150,565	-	-	-
Accounts payable	424,782	424,782	424,782	-	-	-
OTHER PAYABLES	60,671	60,671	60,671	-	-	-
Lease liabilities	<u>27,845</u>	<u>27,845</u>	<u>6,401</u>	<u>6,521</u>	<u>14,923</u>	<u>-</u>
	<u>\$ 663,863</u>	<u>663,863</u>	<u>642,419</u>	<u>6,521</u>	<u>14,923</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.

C. Exchange rate risk

(A) Exposure to currency risk

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

The Company's financial assets and liabilities exposed to foreign currency risk were as follows:

	2023.12.31			2022.12.31			
	Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD	
<u>Financial assets</u>							
<u>Item</u>							
USD	\$	2	30.65	73	25	30.66	760
RMB		24	4.30	103	24	4.38	105
<u>Financial liabilities</u>							
<u>Item</u>							
USD		74	30.76	2,261	200	30.75	6,149

(B) Sensitivity analysis

The amount of foreign currency assets and liabilities held by the Company is not significant, so there is no sensitivity analysis on exchange rate risk.

(C) Exchange gains and losses of monetary Item

Please refer to Note 6 (16) for the exchange gain (loss) of the Company's monetary Item.

D. Interest rate analysis

The short-term and long-term borrowings of the Company are at fixed interest rates, so there is no significant interest rate risk.

E. Fair value information

(A) Categories 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; however, except as described in the following paragraphs, for 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:

	Carrying Amount	2023.12.31			
		Fair value			
		Level 1	Level 2	Level 3	total
<u>Financial assets</u>					
measured at amortized cost					
Cash and cash equivalents	\$ 209,790	-	-	-	-
Notes and accounts receivable	555,382	-	-	-	-
Other receivables	47	-	-	-	-
Guarantee deposits	23,376	-	-	-	-

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

paid					
Long-term receivables	96,620	-	-	-	-
total	\$ 885,215	-	-	-	-
2023.12.31					
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	total
Financial liabilities at amortized cost					
Short-term loans	\$ 95,000	-	-	-	-
Accounts payable	475,504	-	-	-	-
OTHER PAYABLES	57,054	-	-	-	-
Lease liabilities	22,379	-	-	-	-
Long-term loans	23,169	-	-	-	-
total	\$ 673,106	-	-	-	-
2022.12.31					
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 242,888	-	-	-	-
Financial assets at amortized cost-current	3,580	-	-	-	-
Notes and accounts receivable	473,624	-	-	-	-
Other receivables	220	-	-	-	-
Guarantee deposits paid	18,930	-	-	-	-
Long-term receivables	75,761	-	-	-	-
total	\$ 815,003	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	\$ 150,565	-	-	-	-
Accounts payable	424,782	-	-	-	-
Other payables	60,671	-	-	-	-
Lease liabilities	27,845	-	-	-	-
total	\$ 663,863	-	-	-	-

There was no transfer of financial assets and liabilities into fair value

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

hierarchy in 2023 and 2022.

(18) Financial risk management

A. Summary

The Company have exposures to the following risks from its financial instruments:

- (A) Credit risk
- (B) Liquidity risk
- (C) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks.

B. Risk management structure

The Company's Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. The results of the review are reported to the Board of Directors on a regular basis.

C. 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 receivables from customers and other financial assets.

(A) Accounts receivable

Since the Company is engaged in the wholesale and retail of information software and provides professional consulting services, and has a large customer base, the Company's notes and accounts receivable balances as of December 31, 2023 and 2022 are not significantly concentrated in transactions with a few customers, so there is no significant concentration of credit risk on accounts receivable. The Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of customers and utilizes insurance to minimize the credit risk.

(B) Bank deposits and financial assets measured at amortized cost

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

The credit risk exposure in the bank deposits and financial assets at amortized cost are measured and monitored by the Company's finance department. Since the Company's transaction counterparties and the contractually obligated counterparties are banks with good credits, there is no significant credit risk.

(C) Guarantees

As of December 31, 2023 and 2022, the Company did not provide any endorsement guarantee.

D. 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 another financial asset. The Company manages liquidity risk by monitoring regularly the current and mid-to long-term cash demand, and maintaining adequate cash and banking facilities. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities of \$499,000,000 and \$351,435,000, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, 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.

(A) Exchange rate risk

The Company operates in Taiwan and its main transactions are denominated in NTD, the functional currency, so there is no significant exchange rate risk.

(B) Interest rate risk

The Company's bank loans are all based on fixed interest rates, so there is no significant interest rate risk.

(19) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Company monitors capital by regularly reviewing

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

the debt-to-equity ratio. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, and retained earnings.

The gearing ratios at December 31, 2023 and 2022 were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Total liabilities	\$ 784,441	716,462
Less: Cash and cash equivalents	<u>(209,790)</u>	<u>(242,888)</u>
Net debt	<u>\$ 574,651</u>	<u>473,574</u>
Total capital	<u>\$ 486,383</u>	<u>480,653</u>
Debt-to-equity ratio	<u>118.15%</u>	<u>98.53%</u>

The increase in the debt-to-capital ratio on December 31, 2023 was mainly due to the increase in liabilities arising from operating activities.

(20) Financing activities not affecting current cash flow

For the years ended December 31, 2023 and 2022, the Company acquired right-of-use assets under leases, please refer to Note 6 (5) and (8).

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2023 and 2022 were as follows:

	<u>2023.1.1</u>	<u>Cash flow</u>	<u>Repayment of borrowings</u>	<u>Non-cash changes</u>		<u>2023.12.31</u>
				<u>Additions</u>	<u>Cancel</u>	
Short-term loans	\$ 150,565	(55,565)	-	-	-	95,000
Long-term loans	-	30,000	(6,831)	-	-	23,169
Lease liabilities	<u>27,845</u>	<u>(6,419)</u>	<u>-</u>	<u>1,469</u>	<u>(516)</u>	<u>22,379</u>
Total liabilities from financing activities	<u>\$ 178,410</u>	<u>(31,984)</u>	<u>(6,831)</u>	<u>1,469</u>	<u>(516)</u>	<u>140,548</u>

	<u>2022.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>2022.12.31</u>
			<u>Additions</u>	<u>Cancel</u>	
Short-term loans	\$ 28,000	122,565	-	-	150,565
Lease liabilities	<u>31,028</u>	<u>(6,113)</u>	<u>3,459</u>	<u>(529)</u>	<u>27,845</u>
Total liabilities from financing activities	<u>\$ 59,028</u>	<u>116,452</u>	<u>3,459</u>	<u>(529)</u>	<u>178,410</u>

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

7. Related party transactions

(1) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

Name of related parties	Relationship with the Company
Ares International Corp.	standard-alone has significant influence over the Company
Chin-Lung, Hsu	Key management personnel of the Corporation
Han-Lin, Li	Key management personnel of the Corporation

(2) Significant transactions with related parties

A. Purchases

The amounts of purchases by the Company from related parties were as follows:

	2023	2022
standard-alone has significant influence over the Company	\$ -	3,760

There were no significant differences between the terms and pricing of purchase transactions with related parties and those carried out with other normal vendors. The payment terms for related parties were 3075 days, which were not materially different from those carried out with other normal vendors.-

B. Payables to related parties

The payables to related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Accounts payable	standard-alone has significant influence over the Company	\$ -	1,108

C. Endorsements and guarantees

Chin-Lung, Hsu and Han-Lin, Li, key management personnel of the Company, are the joint guarantors of the Company's loans from financial institutions in the form of credit guarantees in 2023 and 2022.

(3) Compensation of key management personnel

	2023	2022
Short-term employee benefits	\$ 24,601	19,922
Retirement benefits	527	435
	<u>\$ 25,128</u>	<u>20,357</u>

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledge guarantee subject	2023.12.31	2022.12.31
Financial assets at amortized cost-current:			
Restricted deposits	Short-term loans	\$ -	3,580

9. Significant contingent liabilities and unrecognized commitments

The guaranteed notes issued by the Company for obtaining financing facilities from financial institutions are as follows:

	2023.12.31	2022.12.31
Endorsements and guarantees	\$ 12,000	12,000

10. SIGNIFICANT DISASTER LOSS: None.

11. Significant subsequent events: None.

12. Others

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

Function Nature	2023			2022		
	Operating costs	Operating expenses	total	Operating costs	Operating expenses	total
Employee benefits expense						
Wages and salaries	36,357	78,595	114,952	31,778	65,816	97,594
Labor and health insurance	2,929	5,801	8,730	2,921	5,552	8,473
Pension expense	1,628	3,079	4,707	1,498	2,779	4,277
Remuneration of directors	-	2,682	2,682	-	1,821	1,821
Other employee benefits	1,737	3,001	4,738	1,554	2,333	3,887
Depreciation expense	2,022	5,502	7,524	2,016	5,411	7,427
Amortization expense	146	285	431	45	87	132

Additional information on the number of employees and employee benefit expenses of the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	93	86
Number of directors who were not employees	5	5

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Average employee benefits	\$	<u>1,513</u>	<u>1,410</u>
Average employee salary expenses	\$	<u>1,306</u>	<u>1,205</u>
Adjustment of average employee salary expenses		<u>8.38%</u>	<u>(17.80)%</u>
Supervisor's remuneration	\$	<u>-</u>	<u>15</u>

The Company's salary and remuneration policy (including directors, managerial officers and employees) are as follows:

The Company has established the "Remuneration Management Measures for Directors and managerial officers", which include the following:

- A. Remuneration: The Company may pay a fixed amount of remuneration regardless of operating profit or loss. The Board of Directors is authorized to determine the remuneration of independent directors based on the degree of their participation in the Company's operations and the value of their contributions; The salary of managerial officers is based on the joint evaluation of Taiwan's human resources market, industry categories of the same nature, and the company's salary and welfare policies.
- B. Remuneration: According to Article 20 of the Articles of Incorporation, where the Company makes a profit in a year, a fixed ratio (3% for directors' remuneration) shall be set aside; 10% to 15% of the profit of the current year is distributable as employees' compensation), and is distributed to Resolution after being approved by the Board of Directors and reported to the shareholders' meeting.
- C. Transportation expenses (Directors), year-end bonuses (managerial officers), business execution related expenses, etc.

The Company's employee compensation includes monthly base salary, allowances, additional pay, overtime pay and various bonuses approved by the supervisor, and in accordance with laws and regulations, taking into account the salary level in the industry, providing employees with good salary and welfare conditions. The Company conducts performance appraisal of all employees every year, and regularly confirms the work performance of all employees as the basis for promotion and salary payment.

13. Note disclosures

- (1) Information on significant transactions: None.
- (2) Information on investees: None.
- (3) Information on investments in mainland China: None.
- (4) Major shareholders:

			Unit: Shares
Name of Major Shareholders	Shares	Shares Held	Shareholding ratio
Ares International Corp.		3,843,015	17.46%

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Wei Gu Co., Ltd.	2,682,381	12.19%
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Note: A. The information of major shareholders presented in this table is provided by Taiwan Depository & Clearing Corporation, based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5 percent or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital which was recorded on the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

B. If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than ten (10) percent pursuant to Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

C. The shareholding ratio is calculated by unconditionally rounding off to two decimal places.

14. Segment information

(1) General information

The Company is mainly engaged in the wholesale, development, sales and maintenance of information software, which is attributable to a single reporting department. The financial information of the department is the same as that of the financial report. The accounting policies of the operating segments are the same as the accounting policies described in Note 4.

(2) Information about reportable segments and their measurement and reconciliations

The information on the Company's segment profit or loss, segment assets, and segment liabilities is consistent with the financial report. Please refer to the balance sheet and total income statement.

(3) Overall corporate information

A. Product information

The Company is mainly engaged in the wholesale, development, sales and maintenance of information software. Product information is consistent with the financial report. Please refer to the income statement of total.

B. Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

Revenue from external customers:

Region	2023	2022
Taiwan	\$ 1,591,839	1,469,921
Other countries	6,940	6,845
total	<u>\$ 1,598,779</u>	<u>1,476,766</u>

Non-current assets:

Region	2023.12.31	2022.12.31
Taiwan	<u>\$ 23,488</u>	<u>30,111</u>

Non-current assets include property, plant and equipment, right-of-use assets, and intangible assets, excluding deferred income tax assets, long-term receivables, and non-current assets with refundable deposits.

C. Information about major customers

The details of the Company's sales revenue from customers accounting for more than 10% of the net operating revenue in the income statement of total are as follows:

	2023		2022	
	Amount	%	Amount	%
Company A	<u>\$ 167,548</u>	<u>10</u>	<u>125,246</u>	<u>8</u>

For the year ended December 31, 2022, there was no customer with a net operating revenue of more than 10%.

M-Power Information Co., Ltd.
Statement of cash and cash equivalents
December 31, 2023

Unit: NT \$thousands
Foreign Currency Unit: NTD

Item	Description	Amount
Bank deposits	Check deposits	690
	Demand deposits	208,924
	USD (USD 2, NT \$388.27 @30.655)	73
	CNY (CNY 23, 994.32 @4.3)	103
		\$ 209,790

M-Power Information Co., Ltd.

Notes and accounts receivable

December 31, 2023

Unit: NT \$thousands

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Notes receivable:			
Non-related parties:			
Others (Note)		\$ 126	
Accounts receivable:			
Non-related parties:			
Company A		124,915	
Company B		50,667	
Company C		35,362	
Others (Note)		<u>344,312</u>	
		<u>555,256</u>	
Long-term receivables:			
Non-related parties:			
Company C		17,099	
Company D		14,686	
Company E		12,914	
Company A		12,286	
F Company		4,559	
Others (Note)		<u>38,979</u>	
		100,523	
Less: Unrealized interest revenue		<u>(3,903)</u>	
		96,620	
total		<u>\$ 652,002</u>	

Note: The individual balance does not exceed 5% of this account.

M-Power Information Co., Ltd.

Statement of other receivables

December 31, 2023

**Unit: NT
\$thousands**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Non-related parties:			
Company G		<u>\$ 47</u>	

Note: The individual balance does not exceed 5% of this account.

STATEMENT OF INVENTORIES

<u>Item</u>	<u>Amount</u>		<u>Remark</u>
	<u>Cost</u>	<u>Market value</u>	
Merchandise inventory	\$ 358,070	<u>353,871</u>	Net realizable value
Less: Allowance for inventory valuation losses	<u>4,199</u>		
	<u>\$ 353,871</u>		

Statement of Prepayments

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Prepayments for purchases		\$ 5,688	
Prepaid rent		163	
Prepayments (printing, software usage, etc.)		708	
Prepaid security fee		<u>6</u>	
		<u>\$ 6,565</u>	

M-Power Information Co., Ltd.
Statement of Other Current Assets

December 31, 2023

Unit: NT
 \$thousands

Item	Description	Amount	Remark
Temporary payments		\$ <u>160</u>	

Statement of changes in intangible assets
 January 1 to December 31, 2023

Item	Beginning balance	Current increase	Current decrease	Ending balance	Remark
Computer software	\$ 977	374	-	1,351	
Less: Amortization for the year	136	431	-	567	
	<u>\$ 841</u>	<u>(57)</u>	<u>-</u>	<u>784</u>	

Schedule of Refundable Deposits
 December 31, 2023

Item	Description	Amount	Remark
Insurance fund		\$ 21,173	
Bid bonds		15	
Other:		<u>2,188</u>	
		<u>\$ 23,376</u>	

M-Power Information Co., Ltd.

Statement of short-term borrowings

December 31, 2023

Unit: NT \$thousands

<u>Type of loan</u>	<u>Explanation</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rates</u>	<u>Financing facilities</u>	<u>Mortgage Collateral</u>	<u>Remark</u>
Unsecured loans	Hua Nan Bank	\$ 45,000	112/7 ~ 113/3	2.30 ~ 2.51	200,000	Note	
Unsecured loans	Chang Hwa Bank	20,000	112/9 ~ 113/4	2.33	20,000	Note	
Unsecured loans	Taipei Fubon Bank	30,000	112/8 ~ 113/8	0.5	50,000	Note	
Unsecured loans	Mega Bank	-	-	-	100,000	Note	
Unsecured loans	Bank of Panhsin	-	-	-	60,000	Note	
Unsecured loans	Taishin Bank	-	-	-	64,000	Note	
Unsecured loans	Shin Kong Bank	-	-	-	50,000	Note	
Unsecured loans	Far Eastern International Bank	-	-	-	50,000	Nil.	
total		<u>\$ 95,000</u>					

Note: The Company's borrowings are secured by the credit guarantee fund and key management personnel.

Statement of contract liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Services received in advance		\$ 21,041	
Advance sales receipts		<u>70,247</u>	
		<u>\$ 91,288</u>	

M-Power Information Co., Ltd.

Statement of accounts payable

December 31, 2023

**Unit: NT
\$thousands**

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Accounts payable:			
Non-related parties:			
Company A		\$ 428,940	
Others (individual balance does not exceed 5% of this account)		<u>46,564</u>	
		<u>\$ 475,504</u>	

Statement of other payables

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
	Payables for salaries or bonuses	\$ 33,264	
	Employees' compensation and directors' and supervisors' remuneration payable	18,256	
	Other expenses payable (labor and health insurance, pension, etc.)	<u>5,534</u>	
		<u>\$ 57,054</u>	

M-Power Information Co., Ltd.
Statement of Other Current Liabilities

December 31, 2023

Unit: NT
 \$thousands

Item	Description	Amount	Remark
Taxes payable		\$ 4,826	
Receipts under custody		403	
		<u>\$ 5,229</u>	

Statement of Operating Revenue
January 1 to December 31, 2023

Item	Amount	Amount	Remark
Product sales revenue:			
Sale of computer software		\$ 1,459,532	
Service and maintenance income		<u>138,613</u>	
		1,598,145	
Other:		<u>634</u>	
		<u>\$ 1,598,779</u>	

M-Power Information Co., Ltd.

Statement of operating costs

January 1 to December 31, 2023

**Unit: NT
\$thousands**

Item	Amount	
	Sub-total	total
Cost of goods sold	\$	1,320,389
Beginning inventory	348,500	
Net Purchases	1,329,959	
Ending inventories	(358,070)	
Service and maintenance costs		47,488
Total operating costs	\$	<u>1,367,877</u>

Statement of selling expenses

Item	Description	Amount	Remark
Wages and salaries		\$ 40,410	
Insurance expense		3,169	
Others (individual balance does not exceed 5% of this account)		<u>14,266</u>	
		\$ <u>57,845</u>	

M-Power Information Co., Ltd.
Statement of administrative expenses
January 1 to December 31, 2023

Unit: NT
\$thousands

Item	Description	Amount	Remark
Wages and salaries		\$ 25,611	
Depreciation expense		2,111	
Service expense		1,869	
Others (individual balance does not exceed 5% of this account)		<u>7,591</u>	
		<u><u>\$ 37,182</u></u>	

Statement of research expenses

Item	Description	Amount	Remark
Wages and salaries		\$ 15,256	
Insurance expense		1,474	
Others (individual balance does not exceed 5% of this account)		<u>3,656</u>	
		<u><u>\$ 20,386</u></u>	

Statement of changes in property, plant and equipment was disclosed in note 6 (4).

Statement of changes in accumulated depreciation of property, plant and equipment please refer to note 6 (4).

Statement of changes in right-of-use assets was disclosed in note 6 (5).

Statement of changes in accumulated depreciation of right-of-use assets please refer to note 6 (5).

Statement of lease liabilities was disclosed in note 6 (8).

Statement of deferred assets of income tax please refer to note 6 (10).

Statement of interest income was disclosed in note 6 (16).

Statement of other gains and losses was disclosed in note 6 (16).

Statement of finance costs was disclosed in note 6 (16).

M-Power Information Co., Ltd.

Chairman: Chin-Lung Hsu