

ADATA[®]

威剛科技股份有限公司
ADATA Technology Co., Ltd.

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2023 Annual Report



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ADATA Technology Co., Ltd.

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One. Letter to Shareholders

Dear Shareholders:

Benefiting from the bottoming out of memory prices in the third quarter of 2023, as well as the Company's suitable inventory strategy and channel advantages, ADATA's 2023 pre-tax profit grew 82%, reaching NT\$1.976 billion, net income after taxes grew 69% to NT\$1.494 billion, and average gross margin hit a record high of 16.8%. We outperformed the memory price trend and experienced one of the best profit growth performances in the industry.

Looking ahead to 2024, AI applications have brought hope to the growth of the global tech industry despite the uncertainties caused by geopolitics, inflation, and the strength of economic recovery. As AI technologies mature, generative AI has advanced beyond creating text, images, and music to include videos. AI is now used in various applications such as computers, smartphones, and self-driving cars and is becoming ubiquitous in many sectors. As a result, AI-driven demand for memory will keep growing, leading to a flourishing memory industry.

I. 2023 Business Performance and R&D Results

Starting in the fourth quarter of 2022, upstream memory manufacturers successively announced plans to reduce production and capital expenditures. With the reduction in output and the decline in manufacturer inventory levels, the memory industry officially bottomed out in the third quarter of 2023. Spot prices of both DRAM and NAND flash have stopped falling and rebounded. ADATA was already ahead of the market and our peers in the second quarter of 2023, taking the lead in adjusting memory inventory in preparation for the memory market boom. The Company's performance over the past year has been impressive, thanks to multi-faceted inventory and operational strategies. Since August 2023, monthly revenue has grown significantly. In November, monthly revenue exceeded NT\$4 billion, a record high in nearly 13.5 years. Fourth-quarter revenue also showed impressive growth, achieving a 30% increase to NT\$11 billion. Under the benefits of effective inventory management, the Company's 2023 EPS reached NT\$5.21.

While boosting business performance, the Company is also dedicated to implementing sustainable development and product innovation. In 2023, the Company released a green storage series that includes the HC300 ECO thin external hard drive and the UC310 ECO swivel flash drive. The bodies of both products use PCR (Post-Consumer Recycled) materials as the primary raw material and have adopted FSCTM (Forest Stewardship Council) certified packaging. They're made of environmentally friendly materials that are locally sourced and manufactured, allowing us to provide low-carbon, low-energy options for our customers. HC300 ECO external HDD also won the 32nd Taiwan Excellence Awards.

Moreover, ADATA is committed to sustainable talent and social welfare and has been recognized with the Best Companies to Work for in Asia Awards four times. We have also won the Diversity, Equity & Inclusion, Digital Transformation, and Most Caring Company Awards. Additionally, we won the Asia Responsible Enterprise Awards for four consecutive years in two categories, Social Empowerment and Investment in People, reflecting our continuous dedication to sustainable development, sustainable talent, and social welfare. ADATA is ahead of its competitors in the memory module industry. Our first application for intellectual property management certification successfully passed the review, awarding us a national TIPS (Taiwan Intellectual Property Management System) Class A certification. This certification makes ADATA an intellectual property management demonstration enterprise, allowing our corporate governance to move forward and achieve the best state of sustainable management.

II. Analysis of Financial Gains and Losses and Profitability in 2023

1. Financial status

Unit: NT\$ thousand

Item	2023	2022
Operating revenue	33,684,782	34,926,941
Operating margin	5,657,935	4,389,946
Operating profit and loss	1,774,957	707,222
Non-operating income and expense	200,728	377,747
Profit before tax	1,975,685	1,084,969
Reported taxes	481,410	199,382
Current period net profit	1,494,275	885,587

2. Profitability

Item	2023	2022
ROA (%)	4.99	3.36
Rate of return on equity (%)	10.60	7.49
Net margin (%)	4.44	2.54
Earnings per share (NT\$) (Note)	5.21	3.19

Note: EPS (loss) is calculated using the weighted average number of ordinary shares outstanding during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

III. Budget implementation

Since the Company did not prepare a financial forecast for 2023, this item will not be explained.

IV. 2024 Business strategies and important production and marketing policies

Looking ahead to the new year, several factors, such as inflation trends, monetary policies, geopolitics, and the growth of major economies, will impact the direction of the global economy. We will remain cautious and optimistic when facing possible global risks. Just as generative AI has marked a new page in the global industry's history, ADATA has not only established itself as a leader in the memory industry but also expects our diversified businesses to yield positive results steadily in 2024. The Company's operations have entered a multi-core, high-speed operations stage, advancing memory and non-memory businesses in parallel to inject stronger growth momentum for the Company.

The memory industry is expected to gain traction in the second half of the year due to production cuts, the effects of squeezed production capacity, and the AI-driven demand for servers, PCs, smartphones, and even automotive applications. The prices of two major memory devices, DRAM and NAND flash, should maintain a steady and bullish trend. We are optimistic that AI applications will flourish in various fields, inevitably increasing the demand for memory. ADATA is committed to being at the forefront of the AI application market and will lead the industry in implementing AI memory applications worldwide. The Company has responded to market demand by launching a new generation of high-speed DDR5 products and high-capacity SSDs. We have also invested in researching and developing AI servers and industrial control products and expect to start shipping small volumes in the second half of this year.

As part of our response to the global trend of achieving net-zero emissions, the Company plans to expand our range of green and renewable energy products. We aim to reduce the energy consumed by components, packaging materials, and production methods, prioritize environmentally friendly and recycled materials, and minimize non-essential or non-environmental packaging. Another green energy product, the ALWAYSPEED electric tricycle, actively taps into food and market business opportunities by fitting it with a storage box that opens on three sides to help individual sellers and small businesses easily navigate markets and night markets. ALWAYSPEED has developed a rechargeable electric tricycle for overseas markets, including Europe, Southeast Asia, and China, that often require logistics in urban alleys. This tricycle is expected to be launched in the second half of this year and will gradually demonstrate its benefits starting next year.

Regarding non-memory businesses, the Company has diversified into culture and art, AI applications, and carbon rights. In addition to obtaining the operating rights of the Taoyuan City Public Main Library for a period of 20 years, we also partnered with the Taiwan Creative Content Agency to establish an investment fund to promote the development of the nation's cultural content and innovative cultural tech industries. Aiming at future AI applications and simulation technologies that will reach various industries, the Company invested in Digital Domain, the global leader in AI technology and visual effects, to prepare for the AIwave. We expect global carbon rights to thrive in the next decade and that supply will exceed demand. To prepare for these trends, ADATA built the most favorable channels in Southeast Asia and other international markets.

V. Sales Forecast:

Since the Company did not prepare a financial forecast for 2024, this item will not be explained.

VI. Future Developmental Strategies of the Company and the Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

Finally, we thank our shareholders for their continuous support and recognition over the years and for accompanying us as we welcome the new memory market boom. The numerous challenges we have faced in the past few years, including the worldwide pandemic, regional and national conflicts, and global inflation, have emphasized that the strength to withstand external disturbances and remain steadfast in the face of adversity comes from continuously improving product quality and brand value and actively expanding channels and market share. Despite the memory market's economy, ADATA has managed to minimize the impact of harsh environments and maintained stable profits and better performance than competitors in recent years.

With the official inauguration of ADATA's headquarters in Neihu, Taipei, in 2023, the Company will use its dual headquarters in Taipei and New Taipei City as the core of its global operations to drive the overall development of the group's global manufacturing and businesses in Asia, Europe,

the United States, China, and India. At this opportune moment, when AI-driven demand for memory is on the rise, ADATA is actively entering the AI market and maintaining a positive yet cautious attitude while striving to improve its overall gross profit margin. We are also focusing on promoting sustainable development across our products, talent cultivation, and corporate governance and aim to create sustained and long-term profits for our shareholders.

Chairperson of the Board: Chen, Li-Pai



Manager: Chen, Ling-Chuan



Head of Accounting: Tseng, Shu-Ling



Two. Company Profile

I. Date of Establishment: May 4, 2001

II. Company history:

Year		Item
2001	May	The Company was established at 9F, No. 169, Section 4, Zhongxiao East Road, Taipei City with a capital of NT\$50,000,000. Purpose: Professional DRAM module and flash memory plant based on Taiwan and provides services worldwide.
	July	The Company was relocated to 14F, No. 258, Liencheng Rd., Zhonghe City, Taipei County and formally began operations.
	August	Established a wholly-owned subsidiary in Hong Kong.
2002	April	The first in Taiwan to release a DDR400 memory module, which had excellent product performance and won DDR400 motherboard performance contests numerous times, and was highly popular among computer users, ranking number one in Taiwan in terms of shipments.
	July	Established the Flash Division and formally entered the R&D and sales of flash memory cards and flash drives.
	September	Stood out from the many DRAM module plants in Taiwan and became the largest DRAM module plant in Taiwan. Established a wholly-owned subsidiary in the US.
	December	Expanded the head office in Taipei and relocated it from 14F to 18F due to rapid business growth. Monthly revenue surpassed NT\$1 billion for the first time. The management team brainstormed and decided on the company slogan "To Be A+ with A-DATA." This further strengthened our conviction to serve customers around the world. Established a second-tier wholly-owned subsidiary in Shanghai.
2003	March	The Company's stock was approved by the Securities and Futures Institute for public listing. The Company formally obtained the ISO 9001 certification.
	July	The first in Taiwan to launch the DDR500 memory module.
	September	i-Drive and JOGR received the Good Design Mark  from TAITRA.
	October	JOGR won the G-Mark Award 2003 from the JIDPO (Japan Industrial Design Promotion Organization). Annual revenue surpassed NT\$10 billion.
	December	Stocks were traded in the OTC market.
2004	January	i-Drive and JOGR won the 12th Taiwan Excellence Award. Chairperson Chen, Li-Pai won the 2003 Chinese Youth Entrepreneur Award of Yazhou Zhoukan.
	October	Stocks were traded on the Taipei Exchange (Code: 3260). Camera memory, Lover Disk, and digital MP3 received the Good Design Mark  from TAITRA.
	December	Monthly revenue reached a record high of NT\$3 billion. Chairperson Chen, Li-Pai was selected as a "Model of Young Entrepreneurs." Executive Vice President Chen, Ling-Chuan won the Model of Entrepreneurs Award. The Company ranked 5th in Taiwan and 27th in the Asia Pacific in the 3rd Deloitte Technology Fast 500 Asia Pacific.

2005	January	ADATA DDRII desktop, notebook, and server memory modules, camera memory, and Lover Disk won the 2004 Taiwan Excellence Award. ADATA strikes root in Taiwan and global strategy won the 3rd Golden Root Award of the Taiwan Industrial Technology Association.
	March	The Company formally obtained the ISO 14001 certification.
	May	Ranked 64th in Taiwan's top 1,000 manufacturing companies (published in the May issue of CommonWealth Magazine).
	June	The DDR2 series memory modules won the "Best Choice of COMPUTEX TAIPEI" from TAITRA. The DDR2 533 desktop memory module won the National Product Image Silver Award in the 13th Taiwan Excellence Award.
	July	Ranked 3rd in the "Taiwan Top 100" from Business Next.
	September	Ranked in the top 20 most valuable brands in Taiwan in the "Best Taiwan Global Brands."
	October	Show Me Disk won Japan's "G-Mark 2005."
	November	Fingerprint Disk won the design award in the United States' "CES 2006" product innovation award. Chairperson Chen, Li-Pai was recognized as an outstanding merchant in the 59th Golden Merchants Award.
	December	Fingerprint Disk won Germany's iF Product Design Award 2006.
2006	February	Fingerprint Disk won Germany's Red Dot Award: Product Design 2006.
	April	The 2005 revenue from flash drives was found by GFK to rank first in Taiwan in sales from physical distribution channels.
	July	Revenue from memory modules ranked second worldwide in 2005 (DRAMeXchange). The 2005 revenue from flash drives ranked fourth worldwide (iSupply).
	August	Solar Disk, Fingerprint Disk, VoIP Disk, and mini flash drive won the iF China Product Design Award 2006. The Company's products won two Silver Awards in the Taiwan Excellence Award and eight Taiwan Excellence Awards.
	September	September revenue reached a record high of US\$175 million! Ranked 14th in the Best Taiwan Global Brands and won the "potential star" award. (2006,Interbrand)
	October	First in the world to release a flash drive that supports Microsoft's ReadyBoost function, and was designated by Microsoft Taiwan for exclusive use in the Windows Vista reporter camp. Won two awards in Japan's G-Mark Award 2006. Established a wholly-owned subsidiary in the Netherlands.
	November	The Company won the "Taiwan Business Awards – Best Innovation in Management Award."
	December	Solar Disk, VoIP Disk, and infoSD memory card won the United States' CES Innovations Award 2007. infoSD memory card won the United States' CES Best of Innovations Award in 2007, which is the highest honor for computer accessories! Micro Drive won Germany's iF Product Design Award 2007.

2007	January	ADATA Technology reached a record high of NT\$44.123 billion in 2006!
	February	Micro Drive won Germany's Red Dot Award: Product Design 2006.
	May	Micro Drive won the "Best Choice of Computex TAIPEI 2007 Award."
	July	Revenue from memory modules ranked second worldwide in 2006 (DRAMeXchange). Once again ranked 14th in the Best Taiwan Global Brands (2007, Interbrand). Micro Drive won the Gold Award in the Taiwan Excellence Awards.
	September	Micro Drive won Japan's "G-Mark 2007."
	December	N720 flash drive and S701 flash drive won Germany's iF Product Design Award 2008.
2008	January	N702 flash drive and S701 flash drive received the Good Design Mark  from TAITRA.
	March	N702 flash drive and S701 flash drive won Germany's Red Dot Award: Product Design 2008.
2009	January	T806 flash drive won Germany's iF Product Design Award 2008.
	February	S805 flash drive, CF350X memory card, XPG series DDR3 2133X v2.0, and SSD Enclosure won the Taiwan Excellence Award. T801, T802, T806, T807, and S805 flash drives and CH91 external HDD won six Taiwan Good Design Awards.
	March	T806 flash drive and CH91 external HDD won Germany's Red Dot Award: Product Design 2009. S805 flash drive won Honorable Mention in Germany's Red Dot Award: Product Design 2009.
	May	T806 flash drive won the "Computex TAIPEI Design & Innovation 2009 Award." Revenue from memory modules ranked second worldwide in 2008 (iSupply).
	August	Established an office in Mexico. Establish a subsidiary in Seoul, South Korea.
	September	S805 flash drive won the iF China Product Design Award 2009, and T806 flash drive won the Good Design Award.
	October	Established an office in Moscow, Russia.
2010	January	ADATA Technology announced new corporate identity. NH92 portable HDD won Germany's iF Product Design Award 2010.
	March	ADATA Technology won the Best Exhibition Design Award in India's IT Compass, and the NH92 portable HDD won the Best Value Product Award in IT Compass.
	May	Revenue from memory modules ranked second worldwide in 2009 (iSupply). Revenue from flash drives ranked third worldwide in 2009 (iSupply).
	June	Ranked 3rd in Taiwan's Top 100 Technology Companies.
	October	Won the Top 10 Outstanding Enterprises and Top 10 Outstanding Products in the 13th Golden Peak Awards.
	November	Established a subsidiary in India.
	December	S599 SSD, SH02 portable HD, NH03 3.5" external HDD, N005 flash drive, N004 flash drive, and S007 flash drive won the Taiwan Excellence Award. XPG Plus Series memory module won the iF China Product Design Award.
2011	January	N004 flash drive won the Gold Award in Germany's iF Product Design Award.
	March	Magnetic flash drive won Germany's Red Dot Award: Product Design. Grand opening of Brand Service Center in Taipei Guanhua Market.
	April	SSD S511 and S510 both won Mexico's Compugua Best Product Award.

2011	June	ADATA Technology celebrates its 10th anniversary and held an international computer exhibition and celebration event.
	July	The second Brand Service Center was established in NOVA Taichung.
	August	Won the Awards for Excellent Trading Businesses from the Ministry of Economic Affairs in 2010.
	October	Established an LED lighting R&D and sales team in Taiwan and formally entered the LED lighting industry.
	December	S511 SSD and Bookmarker flash drive won the Taiwan Excellence Award.
2012	January	Established a Repair and Sales Center in Kaohsiung.
	March	ADATA won the United States' 2012 REBRAND 100 Global Award.
	July	Established a Repair and Sales Center in Hsinchu.
	November	ADATA won the 2012 AIS "Accelerating Adoption Award." UV100 flash drive and SDXC UHS-I U1 memory card won the United States' Latin Channel Awards.
	December	Three products won Germany's iF Product Design Award, including: Military grade water-proof and shock resistant HD710 portable hard disks, the thinnest portable hard disk in the industry HE720, and the perfect combination of high performance and fashionable design UE700 flash drive. HE720 portable HD won the Gold Award in the Taiwan Excellence Awards. Obtained the right to issue sports lottery from 2014 to 2023.
2013	February	The Company actively expanded the cloud and industrial applications market and participated in Germany's Embedded World for the first time.
	March	Established Taiwan Sports Lottery.
	April	The first in the industry to work with Google and became the first memory brand to partner with Chrome. The first in Taiwan to launch the DDR4 memory module.
	May	Formally entered the LED lighting industry under the brand ADATA Lighting after years of R&D and marketing.
	September	Sponsored the first event of "The Color Run" in Taiwan.
	October	ADATA participated in the Hong Kong International Lighting Fair (Autumn Edition) to actively expand its lighting brand.
	November	SP900 SSD, SDHC class 4 memory card, SDXC UHS-I U1 small memory card, and AE400 card reader and power bank won the United States' Latin Channel Awards. ADATA's subsidiary in India formally opened a new office in Mumbai to develop India's market.
2014	January	Launched power bank and wireless charger in response to the increased use of mobile phones and tablet PCs. Began the second 10-year issuance of sports lottery on January 1, 2014.
	March	Entered a new phase of global brand strategy to more easily remember and improve brand image. Formally launched the global official website www.adata.com , and updated the suffix of employees' e-mail address. ADATA participated in Light+Building in Frankfurt, Germany for the first time.
	April	ADATA formally launched the DDR4 RDIMM (ECC Registered DIMM) memory for servers.
	June	The CE700 wireless charger won the Computex d&i. ADATA launched the newest and smallest M.2 interface SSD in the consumer market.

2014	July	Revenue from memory modules ranked second worldwide in 2013 (DRAMeXchange).
	August	ADATA led the industry in launching the DDR4 XPG Z1 overclocking memory.
	September	Won the two star award in the "Best Company to Work for in 2014" of Taipei City Government.
	October	DDR4 Z1 overclocking memory won Japan's Good Design Award.
	December	CE70 wireless charger, PC500 power bank, and SE720 ultra thin portable SSD won Taiwan's Golden Pin Design Award. DDR4 Z1 overclocking memory, CE700 wireless charger, and LED tulip table lamp won the Taiwan Excellence Awards. Sponsored the Taroko Gorge Marathon, a well known event that runners around the world must participate in once in their lifetime.
2015	January	ADATA launched the AURA RGB bluetooth light bulb in response to the trend of smart light bulbs.
	February	ADATA won the flash memory category in Europe's DISTREE Diamond Award.
	March	ADATA became the first in the industry to win the organization category in the National Industrial Innovation Award.
	April	DDR4 Z1 overclocking memory won the Gold Award in the Taiwan Excellence Awards. ADATA was the only company to win the Achievement Award in the Taiwan Excellence Award that year. ADATA sponsored the world class eSports team compLexity, showing its ambition to enter the games and eSports market.
	May	ADATA's office in Seoul, South Korea was formally opened to provide better services and develop the market. HD720 ultra durable external HDD won the COMPUTEX Best Choice Award.
	July	Launched the XPG SX930 2.5" SATA 6Gb/s, the first SSD for eSports.
	August	Launched an Apple MFi certified colorful lightning charging cable for the first time. Launched the Premier SP550 SATA 6Gb/s, the first TLC SSD.
	October	ADATA launched numerous new Apple peripheral products, including the i-Memory UE710 3.0 Flash Drive, SD memory card, and the UC350 Type-C OTG Flash Drive. HD720 ultra durable external HDD won the "100 Innovative I.T. Application/Products" award.
	November	Sponsored the Taroko Gorge Marathon in Hualien and called on participants to challenge their limit. HD720 ultra durable external HDD won Taiwan's Golden Pin Design Award. Launched the world's first lightning two-way card reader for Apple iOS.
	December	HD720 ultra durable external HDD, SX930 eSports SSD, UC350 Type C flash drive, UV140 bookmark flash drive, and LED AURA RGB light bulb won the Taiwan Excellence Award.
2016	February	Launched the HD650X Xbox exclusive and HD710M camouflage external HDD.
	March	ADATA, ACLOUD Intelligence Services Corp. Ltd. and Feng Chia University engaged in industry-academia collaboration in the LED Smart Ergonomic Lighting System and Light Environment Application Project. Launched the first Micro USB charging cable for Android mobile devices.
	April	Strategized for the global e-commerce business.
	July	Expanded a new product line for external SSDs and launched three new external SSDs, including SE730 USB-C, SC660 2.5", and SV620 2.5".
	August	Launched the SU800, the first 2.5" SSD to use 3D NAND Flash.

2016	September	Became the first to launch PCIe Gen3x4 and 3D flash memory industrial SSD.
	November	Launched a complete series of USB-C adapter and expansion products, including cable, card reader, adapter, and hub. Sponsored the Taroko Gorge Marathon in Hualien for the third consecutive year in hopes of taking on the challenge together with runners and realize the Company's brand spirit.
	December	Established the Brazil Plant. SE730 external SSD, SD700 external SSD, SX8000 M.2 2280 PCIe eSports SSD, and AI920 flash drive for Apple won the Taiwan Excellence Awards. A10050 power bank and AI920 flash drive for Apple won Taiwan's Golden Pin Design Award.
2017	January	ADATA's profits in 2016 was a three-year high. Established the XPG Business Division and focused on expanding in the eSports industry.
	February	D700 external SSD won Germany's iF Product Design Award.
	March	ADATA's SSD shipments achieved a 6% global market share in 2016, ranking fourth in the world.
	April	SD700 external SSD won Germany's Red Dot Award: Product Design.
	May	ADATA's SD700 3D NAND external SSD won the COMPUTEX d&i 2017 Award.
	June	Launched the ADATA Computex 2017 robot, new XPG eSports products, and SSD high-end solutions.
	July	ADATA announced the perfect combination of high performance and aesthetics provided by XPG SPECTRIX D40 DDR4 RGB memory and ASUS AURA Sync.
	August	ADATA displayed the NVMe PCIe and corporate grade SSD solution and DDR4 memory at the Flash Memory Summit in the US.
	September	ADATA SD700 3D NAND external SSD won Japan's Good Design Award 2017.
	October	11 products of ADATA, eSports and smart robots, all won the Taiwan Excellence Award.
	November	ADATA power bank and XPG eSports audio amplifier won the "Gold Award in the 100 I.T. Innovative Application/Products" and the "100 I.T. Innovative Application/Products."
2018	January	ADATA entered the motor industry and launched electric vehicle power system solutions. Showed the ability to customize integrated power system and motor products at EV JAPAN.
	February	ADATA and Chunghwa Telecom formed a cross-industry alliance to seize AIoT market opportunities. ADATA employees donated over NT\$2 million to aid the post-disaster reconstruction after the Hualien earthquake.
	March	ADATA's D8000L LED power bank won the Germany's iF Design Award in 2018.
	May	Declared the transformation into an innovative technology company at COMPUTEX, and updated the brand slogan to "Innovating the future."
	July	ADATA became the world's second largest memory module manufacturer (DRAMeXchange).
	September	ADATA participated in EV JAPAN Nagoya 2018 to expand the global electric vehicle market.
	October	ADATA became the world's second largest SSD manufacturer (DRAMeXchange). ADATA's P10050C power bank won the 2018 Golden Pin Design Award.

		Organized the first ADATA parent-child photography contest and drawing contest.
2018	November	Main sponsor of the international eSports event "2018 IESF Esports World Championship." ADATA's HD680 and HD330 external HDD, SPECTRIX D80 DDR4 RGB liquid cooling memory, and D8000L camping lighting power bank won the Taiwan Excellence Award.
	December	ADATA's eSports brand XPG participated in the Blizzard Corporate Charity Tournament.
2019	January	XPG SPECTRIX D80 RGB liquid cooling memory set a world record of 5584MT/s.
	February	XPG SPECTRIX D80 DDR4 RGB liquid cooling memory won Germany's iF Design Award 2019.
	March	ADATA's HD830 external HDD and XPG SPECTRIX D80 memory won Germany's' Red Dot Award: Product Design 2019. Organized the 2019 Hualien Pacific Int'L Dragon Boat Festival.
	May	Participated in COMPUTEX as an eSports company for the first time, and actively expanded product lines to transform into a comprehensive innovative technology company. HD770G is the world's first RGB ultra durable external HDD, and won the Best Choice and Computex d&i awards. SE800 external HDD won the Computex d&i award.
	September	ADATA became the world's second largest SSD manufacturer (DRAMeXchange).
	October	Organized the second ADATA parent-child photography contest and drawing contest. Received the Gold Award for Sports Sponsorship in 2019 from the Sports Administration, Ministry of Education. XPG SPECTRIX S40G RGB PCIe M.2 eSport SSD and SE760 external SSD won the 28th Taiwan Excellence Award.
	November	Received the Best Taiwan Brands from the Ministry of Economic Affairs (Top 30 Taiwan global brands). Received the ISO 9001 Plus Awards from SGS. Participated in the 2nd China International Import Expo under the name "ADATA Group."
2020	December	Main sponsor of the Taroko Gorge Marathon in Hualien.
	January	The Automotive Electronics Business Group participated in Automotive World Tokyo and showed its total in-vehicle solutions. ADATA's eSports brand XPG participated in the 2020 CES.
	March	ADATA XPG SPECTRIX D60G DDR4 RGB memory won Germany's Red Dot Award: Product Design 2020.
	April	ADATA's eSports brand XPG launched the first eSports notebook XPG XENIA and participated in the 2020 PAX East. Held the first exhibition for the parent-child drawing competition at Taipei MRT Dingxi Station, and displayed winning works of the second ADATA parent-child drawing contest.
	June	ADATA's eSports brand XPG sponsored the BTS CS Summit.
	July	Implemented the Potential Star Project and recruited graduates despite the pandemic.
	August	Selected as one of the "Best Companies to Work for in Asia in 2020" by HR Asia for the Company's business philosophy of valuing employees, employee care, and harmonious labor-management relations. ADATA was also selected as the most suitable company to work for in Asia.

		Held an exhibition for the parent-child drawing competition at Taipei MRT Jiangzicui Station, and displayed winning works of the ADATA parent-child drawing contest over the years.
2020	September	Recognized with the "2020 Asia Responsible Enterprise Awards – Social Welfare Development Category" for actions to achieve "Innovating the Future."
	October	ADATA's eSports brand XPG sponsored the ESL ALORANT Champions Tour. ADATA was the world's second largest SSD manufacturer in 2019 (DRAMeXchange, Oct. 2020).
	November	Selected as one of Taiwan's top twenty-five global brands (2020 Taiwan Global Brands Survey), showing the great success ADATA has had in innovation and branding. ADATA formally entered the green energy logistics market and developed an innovative logistics model, launching the first electric tricycle in Taiwan on November 27, which boasts the largest capacity and highest safety. Main sponsor of the Taroko Gorge Marathon in Hualien for seven consecutive years. Released brand stickers (humming bird Xiaowei and rabbit Xiaoxue) on Line, WhatsApp, and WeChat to build a connection with people in daily life and raise brand awareness.
	December	Held the 3rd parent-child drawing and photography contest at Taipei Zoo. Received the Gold Award for Sports Sponsorship in 2020 from the Sports Administration, Ministry of Education. Donated a fire guard car to the Seventh Relief and Rescue Brigade of Taichung City Fire Department to assist with disaster relief. Donated computer equipment to a rural school in Eastern Taiwan – Yuli Junior High School, encouraging the youth to show their creativity and innovation in learning.
2021	January	ADATA's eSports brand XPG launched the eSports notebook XPG XENIA Xe and DDR5 memory. Chen, Ling-Chuan, President of ADATA, was selected as an outstanding alumnus of Ming Chuan University for having a positive impact on society and outstanding achievements.
	February	Invited to participate in the Branding Taiwan Forward – Corporate Sharing Event and share the bittersweet process of brand development, as well as ADATA's abundant results in pursuing innovative brand development.
	March	XPG SPECTRIX D70G DDR4 RGB gaming memory, SPECTRIX D50 Xtreme DDR4 RGB overclocking gaming memory, and GAMMIX S70 PCIe Gen4x4 M.2 2280 gaming SSD all won the Red Dot Design Award in 2021.
	June	ADATA Technology's eSports brand XPG GAMMIX S70 PCIe Gen4x4 SSD received the 2021 Computex d&i awards, making XPG GAMMIX S70 the Gen4 SSD with the most awards in the world; it is another affirmation of XPG's outstanding product design skills.
	July	As an act of reinforcement to smart healthcare strategies, ADATA Technology partnered with National Taiwan University Hospital Hsinchu Branch to launch the C-Rob smart autonomous mobile robot for pandemic prevention
	August	ADATA is using digital tools to strengthen its interaction with global consumers, forgoing physical exhibitions and launching new brand products online for the first time. Its esports brand XPG is also receiving great response by strengthening the conversation between the brand and consumers through the 3D brand ambassador, the global Internet celebrity connection project, and the brand's exclusive digital theme song.

		ADATA Technology has long valued the growth and well-being of its employees, and has built a sense of belonging that is highly recognized by employees. The Company received the recognition of “Great Place to Work™” from Great Place to Work®. ADATA's eSports brand XPG released its own gaming gum, exclusively available in 7-ELEVENs across Taiwan.
2021	September	ADATA became the world's second largest memory module manufacturer in 2020 (DRAMeXchange, 2021). Selected as one of the "Best Companies to Work for in Asia in 2020" by HR Asia. ADATA was also selected as the most suitable company to work for in Asia. The Company continues to promote internal and external health promotion programs for the health of the employees and the community, and have been recognized with the “2021 Asia Responsible Enterprise Awards – Social Welfare Development Category” for its commitment to social well-being and positive impact in the pursuit of sustainable development XPG 4D-printed eSports mouse HEADSHOT received the Golden Pin Design Award
	October	ADATA was the world's second largest SSD manufacturer in 2020 (DRAMeXchange, Oct. 2021).
	November	ADATA Technology achievements successfully crossed into green energy and AI; the ALWAYSPEED electric tricycle and the autonomous mobile robot have both received the Taiwan Excellence Silver Award. XPG 4D-printed eSports mouse HEADSHOT and ADATA MI086A13K permanent magnet synchronous automotive motor both received the Taiwan Excellence Award. ADATA is committed to the physical and mental health of its employees, creating a happy workplace for all ADATA employees, and leading the society to a better future; it also pledged to be a brand of 2021 Common Health Magazine CHR Healthy Corporate Citizen. ADATA US branch, ADATA Technology (USA) Co., Ltd., received the “23rd National Award of Outstanding SMEs for Overseas Taiwan Businesses”, held by from the Ministry of Economic Affairs, the Overseas Community Affairs Council, and the National Association of Small & Medium Enterprise. ADATA was No. 1 2021 Green Procurement Enterprise in New Taipei City, which demonstrates its dedication to environmental sustainability in the pursuit of corporate development and growth.
	December	Selected as one of Taiwan's top twenty global brands (2021 Taiwan Global Brands Survey), showing the great success ADATA has had in innovation and branding. ADATA Technology received the rating of 2021 Best Workplaces in Greater China™ from Great Place to Work® (GPTW), the global research authority on workplace cultures. ADATA Technology cares about child development and has partnered with World Vision Taiwan and the Taiwan Foundation for Rare Disorders to host and expand the scope of the 4th ADATA Parent-Child Drawing and Photography Contest online, extending the Company's compassion and care to more children.
2022	February	ADATA esports brand XPG eSports notebook Xenia 15KC was recognized as one of the best esports notebooks in 2022 by the international media PCworld Editor's Choice Awards.
	March	Main sponsor of the Taroko Gorge Marathon in Hualien in 2021. For the eighth consecutive year, ADATA Technology has been promoting sports and local cultures to the general public, and calling on the public to cherish the earth's

		resources and realize the vision of universal health and environmental sustainability.
2022	April	ADATA's US branch, ADATA Technology USA Co., Ltd. received certification from the 2022 Great Place to Work® (GPTW), the global research authority on workplace cultures. ADATA and XPG won the Red Dot Design Award for a total of six products. XPG's award-winning products include the SLAYER DDR5 e-sports memory, CASTER DDR5 e-sports memory, ALPHA e-sports mouse, and PRIME e-sports mouse; ADATA won the award for ELITE SE920 USB4.0 external SSD and ELITE SE880 external SSD.
	July	ADATA Technology created the world's first virtual exhibition room MERAVERSE, which successfully builds a new interactive model with customers around the world that transcends regional and temporal constraints. ADATA Technology became a three-time winner of the Asia Responsible Enterprise Awards (AREA), Asia's highest rated corporate social responsibility awards, for its philosophy of "seeing social needs and realizing the sustainable vision for a beautiful future." Keeping up with the metaverse trend, XPG launched the Xtreme Saga Fan Club NFT and incorporated Web 3.0 into XPG's product portfolios.
	August	For its commitment to building a happy enterprise, ADATA Technology was recognized as one of the Best Workplaces in Taiwan™ and a great place to work in Brazil by Great Place to Work® (GPTW), the global research authority on workplace cultures, in 2022. ADATA was selected for the third time as one of the "Best Companies to Work for in Asia in 2022" by HR Asia and also selected as the most suitable company to work for in Asia. XPG launched the latest basic-level e-sports peripherals – PRECOG S e-sports headset, SLINGSHOT e-sports mouse, and BATTLEGROUND L e-sports mouse pad, providing high-performance e-sports products at affordable prices.
	October	ADATA Technology received the triple recognition of "Best Workplaces in Asia™", "Best Workplaces in Greater China™", and "Best Workplaces in Taiwan™", from Great Place to Work® (GPTW), the global research authority on workplace cultures. Setting an example for Asian enterprises, this honor demonstrates the internal cohesion of Asian enterprises to the world. ACE creator memory and LEGEND 960 MAX SSD won the Good Design Awards (Japan). XPG launched the brand ambassador Mera-themed modified case, e-sports headset, e-sports mouse, e-sports keyboard, and mouse pad with a themed design: a complete set of high performance equipment tailored to gamers. XPG officially launched CYBERCORE II platinum power supply products, which are equipped with 12+4 power interface, compliant with the ATC 3.0 standard and PCIe 5.0 specification, thus meeting the needs of gamers for advanced functions of next-generation graphics cards.
	November	ADATA was invited to participate in first session of "The brand club", an event directed by the Industrial Bureau of the Ministry of Economic Affairs and implemented by Branding Taiwan of the Taiwan Institute of Economic Research. Exchanging on the topic "brand internalization" with delegates from the industry, government, and academia, ADATA shared the importance of progress from internal development to external marketing and team spirit in branding,

		demonstrating the strong brand power of ADATA as an international brand in Taiwan and a leader in the industry! ADATA was ranked 19th among Taiwan's top twenty-five global brands in the 2022 Best Taiwan Global Brands Survey, which demonstrates ADATA's excellent branding and innovation. ADATA Chairperson Chen, Li-Pai was awarded the Chao Yao-Tung Commemorative Medal for the Industrial Development category in recognition of his long-term promotion of industrial engineering and outstanding contributions to "industrial development." SE920 USB4 external HDD won the Taiwan Excellence Awards.
2022	December	ADATA has long been supporting sports development and sports events. It has been a main sponsor of the Taroko Gorge Marathon in Hualien for 9 consecutive years, thereby contributing to the vision of public health and environmental sustainability. ADATA Technology teamed up with PWSA Taiwan and Orphan Welfare Foundation to organize the 5th ADATA Parent-Child Drawing and Photography Contest, inspiring children's imagination and curiosity about innovation, beauty, and technology, and working together with them to pass warmth and create impact.
2023	January	For the second time, ADATA Technology received the rating of Best Workplaces in Greater China™ from Great Place to Work® (GPTW), the global research authority on workplace cultures. ADATA Technology made it on the Mega Screen at Times Square in New York, USA, demonstrating the strong brand power of ADATA to the world.
	February	ADATA Technology was graded A in the Taiwan Intellectual Property Management System. Through a comprehensive intellectual property management system, ADATA protects its own and customers' intellectual property rights and trademark rights. XPG's 2nd-generation CRYPTO MERA NFT was issued and unblinded, thus expanding e-sports brand positioning and related applications in the Web3 community.
	March	ADATA's gaming brand XPG platinum certified power supply series has been upgraded with ATX3.0 and PCIe 5.0 interfaces. The series sets a new benchmark for high performance, low noise, and long-lasting service life, becoming the high-wattage power supply preferred by gamers. Comprehensive protection with a 10-year warranty is provided.
	April	ADATA Technology launched the "A Green Future" series of activities and launched the "Green Challenge" to invite people around the world to promote environmental sustainability, fulfilling ADATA's sustainability commitment!
	May	ADATA Technology participated in the world's largest computer industry event - Computex Taipei. With the theme of "The Xtreme Future Leader – Infinite Innovation", the physical and online exhibitions were synchronized to showcase ADATA's innovative and sustainable next-generation products! ADATA's gaming brand XPG won the 2023 German Red Dot Design Award. The brand offers three series of products: XPG PCIe Gen5 solid state drives, XPG LANCER DDR5 memory series, and XPG VALOR AIR MERA EDITION cases. ADATA challenges the limits to create outstanding results.
	June	With our continuous implementation of "sustainable development", "sustainable talents" and "sustainable care" for a better tomorrow, ADATA Technology has won the "Asia Corporate Social Responsibility Award" for four consecutive years

		and won two awards in one fell swoop, including the "Social Welfare Development Award" and "Talent Cultivation Award", reaching another sustainability milestone! ADATA's e-sports brand XPG and City No. 1 jointly launched e-sports chocolate bar snacks, and launched a series of 12 packaging designs based on a brand story character, which are now available in supermarkets and convenience stores across Taiwan.
2023	July	ADATA Technology has been selected for the "2023 Asia's Best Employer Award" by the authoritative human resources publication "HR Asia" in Asia for the fourth time. We have also become the only technology company in Taiwan to achieve a grand slam, winning the "Diversity, Equality and Inclusion Award", "Digital Transformation Award", and "Employer Care Award", becoming a model for sustainable workplaces! ADATA Technology achieves mutual success with our employees and is committed to becoming the best choice for them. Our global headquarters in Taiwan, branches in Mexico, Brazil and the United States have been awarded the "Excellent Workplace Certification™" by the authoritative international workplace culture research organization "Great Place to Work®", perfectly embodying the corporate culture of diversity and mutual prosperity.
	August	ADATA's gaming brand XPG's comic series "Xtreme Saga: The Trials of Mera" is serialized on the XPG brand story website https://saga.xpg.com and global comic platforms in six languages.
	September	For the second time, ADATA Technology has been selected as the "2023 Asia's Best Workplace™" by Great Place to Work®, the global authority on workplace culture. ADATA is the "only award-winning company in Taiwan" among the 200 companies selected, once again demonstrating ADATA's long-term efforts in creating a happy and friendly workplace and achieving new heights with our employees. ADATA creates a benchmark for employers. For the second time, ADATA Technology received the rating of Best Workplaces in Taiwan in 2023™ from Great Place to Work® (GPTW), the global research authority on workplace cultures. ADATA stood out as an example of cohesion and unity among the fierce competition for talent!
	October	ADATA memory and SSDs fully support Intel® Core™ 14th generation processors, and we work with Intel to promote high-speed DDR5 and PCIe 5.0 SSD applications by providing a perfect experience for e-sports gamers and creators.
	November	For the past 10 years, ADATA Technology has been the main sponsor of the Taroko Gorge Marathon in Hualien, demonstrating our commitment to sustainable development through corporate efforts. The Company uses sports to promote positive sustainable energy and supports the Fu Shi Elementary School football team in Hualien through the "Hummingbird Fund", helping them achieve their dream of competing and expanding children's horizons while nurturing the next generation of international sports talents. ADATA Technology, in collaboration with World Vision Taiwan and Syinlu Social Welfare Foundation - Child Development Center, organized the 6th ADATA Parent-Child Painting and Photography Competition. This event allowed children from around the world to participate online, encouraging them to explore technology, innovation, and art, and express their inner thoughts, while promoting sustainability education.

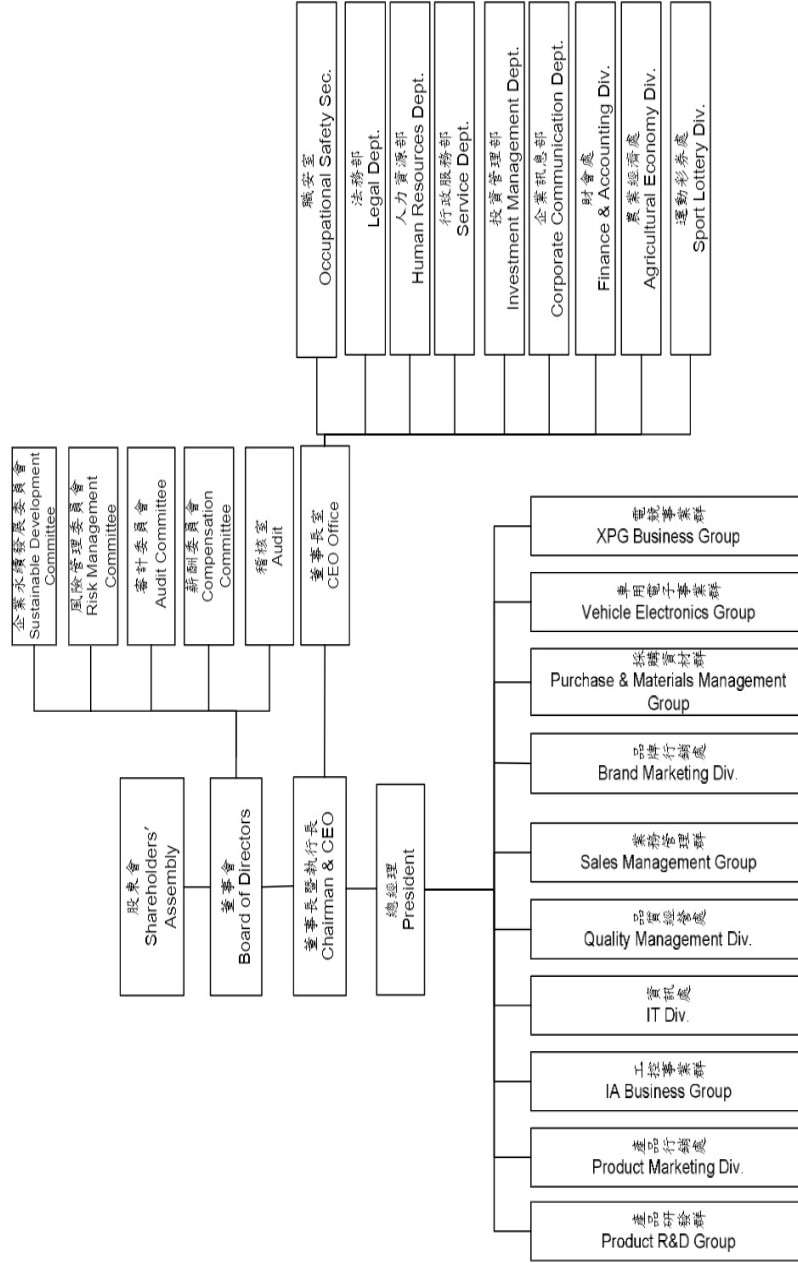
		ADATA was ranked 19th among Taiwan's top twenty-five global brands in the 2023 Best Taiwan Global Brands Survey through its excellent brand power, which successfully demonstrated ADATA's core brand values of innovation, development, and cultivating sustainable management. ADATA participated in the Taiwan Excellence Awards and was once again recognized by the judges. A total of three products won awards, including the HC300 ECO external hard drive, LANCER DDR5 memory series and BATTLECRUISER II case.
2024	January	ADATA Technology Group, along with its gaming brand XPG, industrial-grade embedded storage leader "ADATA Industrial", and ADATA-affiliated global automotive communication product and service leader "ADATA Auto", participated in 2024 CES in the United States with the theme "Innovate for the Future".
	February	The latest XPG gaming notebook in 2024, XPG XENIA 15G, is equipped with the latest 14th generation Intel® Core™ i7-14700HX processor, NVIDIA® GeForce RTX™ 4070 series graphics card, high-speed ADATA DDR5 memory, and 15.6-inch FHD IPS 144Hz gaming screen, which was launched in the United States.
	March	The XPG INVADER X tower case has been honored with the IF DESIGN AWARD 2024 for product design excellence. This product not only boasts outstanding aesthetics and performance but also utilizes sustainable materials, adhering to Environmental, Social, and Governance (ESG) principles to reduce waste. It has become the top choice for both gamers and environmentally conscious individuals.

Three. Corporate Governance Report

I. Company organization (I) Organizational structure

Effective date: March 31, 2024

ADATA Technology



(II) Business operations of major departments

Data date: March 31, 2024

Department	Main responsibilities
Audit Office	1. Inspect and evaluate the effectiveness and completeness of the Company's internal control system 2. Supervise and provide recommendations for improving the Company's internal operating procedures 3. Plan and execute internal and external audits 4. Supervise the Company's internal control system and mechanisms
Legal Division	1. Intellectual Property Management 2. Manage the Company's legal documents and internal and external contracts 3. Prevent and handle lawsuits and disputes with the Company
Human Resources Department	Plan, establish, and implement human resources development
Administrative Services Department	1. Plan, manage, and implement general affairs 2. Improve and construct factories, offices, and public facilities 3. Manage fixed assets and equipment
Information Technology Division	1. Plan and manage the maintenance and expansion of computer software and hardware 2. Manage information security and establish and update regulations for information security management 3. Maintenance and improvement of computer system analysis and programming 4. Planning and maintenance of information system/networking system database
Occupational Safety Sec.	1. Make overall plans for pollution prevention and EHS matters for the prevention of occupational accidents 2. Environmental safety management
Investment Management Department	1. Analyze and evaluate the Company's investment projects 2. Track and manage the Company's investment projects
Corporate Information Department	Integrate, use, and develop the Company's resources and handle the Company's communication and public affairs
Accounting Division	1. Plan, establish, and maintain the Company's financial management and accounting system 2. Prepare and control the annual budget, and analyze and report implementation results 3. Use and allocation of long-term and short-term funds and handle various investments 4. Handle financial, accounting, and tax planning
Agricultural Economics Division	1. Garden plantation maintenance and planning 2. Product development and planning 3. Production and marketing planning and technology research
Sports Lottery Division	1. Issuance, sales, and promotion of sports lottery, announcement of the course of events and results, and redemption and management 2. Select and manage sports lottery distributors, and manage services providers
Automotive Electronics Business Group	1. Sales and repair of vehicle, industrial, and agricultural motors and controllers 2. Motor and controller development and design 3. Motor and controller production and manufacturing 4. Vehicle power system planning and design

Department	Main responsibilities
	5. Develop motor related applications
Quality Management Division	1. Establish and maintain the quality policy and system 2. Supervise and ensure the implementation of the quality policy and system and carry out quality certification 3. Manage and use technical data and quality documents 4. Network services for group information 5. Build, set up, and integrate the Company's systems 6. Improve and maintain the Company's systems
Product R&D Group	1. Flash product development and planning 2. Flash product application and design 3. Consumer electronics product development and planning 4. Consumer electronics product application and design 5. Software and hardware applications and design 6. Handle product customer services and repair issues
Materials Procurement Group	1. Formulate and execute the procurement strategy 2. Select, evaluate, and manage suppliers 3. Control and coordinate procurement and delivery progress 4. Schedule production and manage materials
Industrial Control Business Group	1. Strategy planning and development of the industrial control memory business 2. AIoT in-vehicle business planning and development 3. Robot business planning and development 4. SI business planning and development 5. Industrial application customer services and management 6. Industrial applications market development and marketing
Business Management Group	1. Distribution channel strategy planning and development 2. Distribution channel customer services and management 3. Distribution channel market development and marketing
Product Marketing Division	1. Market information collection and product development project management 2. Customer and sales support 3. Product project progress planning, control, and execution 4. Research and modification of new products and technologies 5. Product research and design and specifications setting
Brand Marketing Division	1. Regional distribution channel strategy planning and execution 2. Product marketing and promotion planning 3. Planning and execution of the global brand marketing strategy 4. Corporate visual image and brand image management, and graphic and website design 5. Implementation of integrated Internet marketing planning
eSports Business Group	1. XPG product strategy planning and development 2. XPG customer services and management 3. XPG distribution channel market development and marketing

II. Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices

(I) Director

1. Director Information

March 29, 2024

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree		Remarks	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Relationship		
Chairperson	ROC	Chen, Li-Pai	Male 51-60	2023.6.2	3	2001.08.22	5,447,210	2.04	5,972,402	2.02	7,514,393	2.54	5,397,695	1.82	Graduate Program, Department of Industrial Engineering and Engineering Management, National Tsing Hua University Department of Electrical Engineering, Feng Chia University Chairperson, Bao Da Boqu Co., Ltd. President, Twinnos Technologies Inc.	CEO, ADATA Technology Co., Ltd. Chairperson, Zhao-Xing Investment Co., Ltd. Director, Zhao Long Investment Co., Ltd. Chairperson, Taiwan Sports Lottery Vice Chairperson, BaoS Innovation Co., Ltd. Chairperson, AWAYSPEED Technology Co., Ltd. Chairperson, Bao Da Investment Co., Ltd. Chairperson, All In Digital Co., Ltd. Chairperson, Wei-Ming Innovation Co., Ltd. Director, Asustor Inc. Director, Max Luck Biotech Corp. Chairperson, ADATA Holdings Chairperson, ADATA Technology Holdings Chairperson, ADATA (HK) Chairperson, Allied Treasure Chairperson, Alwin Co., Ltd. Chairperson, ADATA SEMICONDUCTOR PRIVATE LIMITED	Director	Chen, Ling-Chuan	Spouse	Note 1

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Remarks
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship	
Director	ROC	Chen, Ling-Chuan	Female 51~60	2023.6.2	3	2001.04.25	6,867,876	2.57	7,514,393	2.54	5,972,402	2.02	3,452,431	1.17	Department of Business Administration, Ming Chuan University Vice President of Procurement, Boqu Co., Ltd. Vice President of Procurement, Twinmos Technologies Inc.	President, ADATA Technology Co., Ltd. Director, Zhao Long Investment Co., Ltd. Director, Taiwan Sports Lottery Director, Bao Da Investment Co., Ltd. Director, TrendForce Corp. Chairperson, ATESTINC Co., Ltd. ADATA TECHNOLOGY (U.S.A.)CFO Director, ADATA Technology B.V. Director, ADATA Technology (India) Director, ADATA Technology (Japan) Chairperson, ADATA INTEGRATION BRAZILS/A Chairperson, ADATA ELECTRONICS BRAZILS/A	Chairperson	Chen, Li-Pai	Spouse	Note 1
Director	ROC	Bao Da Investment Co., Ltd.:	-	2023.6.2	3	2008.06.13	2,506,800	0.94	2,720,881	0.92	0	0	0	0	Department of Land Resources, Chinese Culture University Department of Agricultural Economics, Special Examinations for Local Government Personnel Commission's confidential secretary, Department of Transportation, Taipei City Government President's secretary, China Engineering Consultants, Inc. Chairperson's secretary, Taipei	None	None	None	None	
		Representative: Chiang, Shu-Ching	Female 61~70	2023.6.2																

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Remarks
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship	
Director	ROC	Bao Da Investment Co., Ltd.:	-	2023.6.2	3	2008.06.13	2,506,800	0.94	2,720,881	0.92	0	0	0	0	Department of Accounting, Tamkang University	Director of Procurement, ADATA Technology				
		Representative: Lai, Jia-Hui	Female 51~60	2023.6.2		2023.6.2	19,046	0.01	50,672	0.02	0	0	0	0	Section Chief, Business Department, Veritech Industrial Ltd.		None	None	None	None
Independent Director	ROC														MBA Program, National Chengchi University	Chairperson, Hongxiang Investment Development Co., Ltd.				
		Li, Tsung-Jung	Male 61~70	2023.6.2	3	2005.09.30	0	0	0	0	0	0	0	0	Assistant Vice President, Acer Vice President, ASUS President, Synology Inc. President, QNAP Systems, Inc.	Director, NU Inc. Director, Reallusion Inc. Director, Sunny Pharmtech Inc. Director, Chun-Yueh Investment Co., Ltd. Director, Hung Well International Company	None	None	None	None
Independent Director	ROC	Chen, Tzu-Chang	Male 51~60	2023.6.2	3	2017.6.7	0	0	0	0	0	0	0	0	MBA, Seattle University	Chairperson, Tung Ho Tea Co., Ltd. Chairperson, Hojia Asset Management Co., Ltd. Chairperson, J-Garden Co., Ltd.	None	None	None	None
Independent Director	ROC	Hu, Yao-Jen	Male 61~70	2023.6.2	3	2021.7.12	0	0	0	0	0	0	0	0	Department of Mechanical Engineering, Tamkang University President, KYEC	Chairperson, Well Hand Electronics Co., Ltd. Chairperson, Steam Fresh Ltd. Director, Han-Yang Investment Co., Ltd. Supervisor, VICCOM Inc.	None	None	None	None
Independent Director	ROC	Hu, Bai-Sha	Female 51~60	2023.6.2	3	2023.6.2	0	0	0	0	0	0	0	0	Department of Accounting Information, Tainan University of Technology President of Government	Chairperson and President, United Alloy-Tech Company Representative of institutional director, United Alloy-Tech (B.V.I.) Co., Ltd.	None	None	None	None

Title	Nationality or place of registration	Name	Gender and age	Date of election (appointment)	Term	Date first elected	Shares held when elected		Current shareholding		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Remarks	
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relationship		
															and Public Relations at Head Office, Minth Group President, Shihlien Apex Huaian Technology Co., Ltd.	Representative of institutional director, Jiaxing Jingcheng Automobile Technology Co., Ltd.					
Independent Director	ROC	Hu, Gin-Ing	Female 61~70	2023.6.2	3	2023.6.2	0	0	0	0	0	0	0		MBA, Florida International University CFO and Spokesperson, Acer Inc. President and Vice Chairman, Videoland Television Network CEO, Asia Television Limited CEO, Gold Typhoon Group	Chairperson, BenLife Management Ltd. Chairperson, Invista Investment Co., Ltd. Vice President, BenLife Management Ltd. Independent Director, Acer Synergy Tech Corp. Independent Director, Vigor Kobo Co., Ltd. Independent Director, Zhen Ding Technology Holding Ltd. Independent Director, LVGEM (China) Real Estate Investment Co. Ltd. Director, Zhongxing Agriculture and Forestry Development Co., Ltd. Director, BENEPET Co., Ltd. Supervisor, Nexchip Semiconductor Corporation Supervisor, He Mei Industrial Co., Ltd. Supervisor, SmartBee Intelligence Co., Ltd.			None	None	None

Note 1: Where the chairperson and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers) must be disclosed:

The Company's chairperson (and CEO) and president are spouses with high total shareholding ratio. They are engaged in the Company's operations and are on the same page, which improves their operational efficiency and decision making. Furthermore, they fully communicate the Company's recent condition, plans, and policies with

directors to implement corporate governance. In June 2023, the Company enhanced the Board's capabilities and supervisory function by adding five independent director seats, and with more than half of all directors not concurrently an employee or managerial officer. The Company currently has the following measures:

1. The five independent directors have an expertise in finance, accounting, and electronics, and can effectively serve their supervisory function.
2. Directors are arranged to participate in professional courses offered by external institutions, such as the Securities and Futures Institute, each year, in order to enhance Board performance.
3. Independent directors can fully discuss and provide recommendations in functional committees for the Board of Directors to reference when implementing corporate governance.

2. Major shareholders of institutional shareholders

March 29, 2024

Name of institutional shareholder	Major shareholders of institutional shareholders
Bao Da Investment Co., Ltd.:	Chen, Li-Pai (60%), Chen, Ling-Chuan (30%), and Chen, Li-Ching (10%)

3. Disclosure of director's professional qualifications and independent directors' independence-related information:

Name	Criteria	Professional qualifications and experiences	Compliance of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chen, Li-Pai		1. Please refer to "Two. (I) 1. Directors' Information" (Pages 21 to 25) of the Annual Report for the professional qualifications and experience of directors. 2. The matters stipulated in all paragraphs of Article 30 of the Company Act do not describe the directors. (Note 1)	N/A	0
Chen, Ling-Chuan				0
Bao Da Investment Co., Ltd. Representative: Chiang, Shu-Ching				0
Bao Da Investment Co., Ltd. Representative: Lai, Jia-Hui				0
Li, Tsung-Jung			All independent directors meet the following conditions: 1. Complies with the requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission. 2. The person, person's spouse, or relative within the second degree of kinship (or using the name of others) do not hold any common shares of the Company. 3. The remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years.	0
Chen, Tzu-Chang				0
Hu, Yao-Jen				0
Hu, Bai-Sha				0
Hu, Gin-Ing				3

Note 1: A person who falls under any of the following circumstances shall not be allowed to act as a manager. If they already act as a manager, they shall be automatically dismissed:

1. Has committed an offense as specified in the Organized Crime Prevention Act and subsequently has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation is less than five years, or receiving a pardon is less than five years.
2. Has committed an offense involving fraud, breach of trust, or misappropriation and subsequently has been punished with imprisonment for a term of more than one year by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation is less than five years, or receiving a pardon is less than two years.
3. Has been adjudicated guilty by a final judgment for committing offenses under the Taiwan Anti-Corruption Act, and has not started serving the sentence, has not completed serving the sentence, or the time elapsed after completion of serving the sentence, expiration of the probation is less than five years, or receiving a pardon is less than two years.
4. Has been adjudicated bankrupt or the court has declared a liquidation process in connection with such Director, and such Director has not been reinstated.
5. The use of the bill has not yet expired after being rejected.

6. Incapacitated or with limited capacity.
7. The declaration of assistantship has not yet been revoked.

Note 2: 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

2. Does not concurrently serve as an independent director in more than 3 other public companies.

3. The person does not meet the following conditions in the two years prior to the term of office and during the term of office:

- (1) An employee of the Company or any of its affiliates.
- (2) A director or supervisor of the Company or its affiliates.
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).
- (5) Director, supervisor or legal shareholder who directly holds more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act.
- (6) More than half of the company directors or voting shares are directors, supervisors or employees of other companies controlled by the same person.
- (7) A director, supervisor, or employee of the Bank that is the same person or spouse as the chairperson, president or equivalent positions of the Company.
- (8) Director, supervisor, manager or shareholder holding more than 5% of the shares of a company or institution with financial or business dealings with the Company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof. However, this does not apply to those who serve as members of the Company's Remuneration Committee.

4. Board Diversity and Independence:

(1) Board Diversity: According to Article 20 of the *Corporate Governance Code of Practice*, the members of the Company's board of directors shall be selected with an emphasis on gender equality, general knowledge, skills, and the competencies required to perform incumbent duties. In order to accomplish the preferred governance goals of the Company, the Board of Directors shall generally be equipped with the following capabilities:

(A) Ability to make sound business judgments.	(B) Ability to perform accounting and financial analysis.
(C) Ability to manage a business.	(D) Ability to handle crisis management.
(E) Knowledge of the industry.	(F) An international market perspective.
(G) Leadership ability.	(H) Decision-making ability.

The Company's current Board of Directors consists of 9 directors, including 4 directors and 5 independent directors, all of whom are distinguished figures in industry and academia. The Company places a great emphasis on gender parity on the board and aims to increase the number of female directors. Currently, male directors account for 44% (4 directors) of the Board of Directors, and female directors account for 56% (5 directors).

(2) Board independence: The current Board of Directors of the Company includes 5 independent directors, with an independent director ratio of 56%. Their qualifications meet the standards for independent directors as stipulated in Article 2 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". Directors who are spouses or relatives within the second degree of kinship of each other account for 22%, which complies with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

(3) Implementation of the board diversity policy is as shown in the following table:

Item Name of director	Basic Composition			Industry experience			Professional Ability		
	Nationality	Gender	Concurrently serving as an employee of the Company	Business and operation development	Operations Management	International market	Commerce	Ability to perform accounting and financial analysis	Risk management
Chen, Li-Pai	ROC	Male	V	V	V	V	V	V	V
Chen, Ling-Chuan	ROC	Female	V	V	V	V	V	V	V
Chiang, Shu-Ching	ROC	Female	None	V	V	V	V	V	V
Lai, Jia-Hui	ROC	Female	V	V	V	V	V	V	V
Li, Tsung-Jung	ROC	Male	None	V	V	V	V	V	V
Chen, Tzu-Chang	ROC	Male	None	V	V	V	V	V	V
Hu, Yao-Jen	ROC	Male	None	V	V	V	V	V	V
Hu, Bai-Sha	ROC	Female	None	V	V	V	V	V	V
Hu, Gin-Ing	ROC	Female	None	V	V	V	V	V	V

(II) Information Regarding President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Subsidiaries

March 29, 2024

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
CEO	ROC	Chen, Li-Pai	Male	2004.10.6	5,972,402	2.02	7,514,393	2.54	5,397,695	1.82	Graduate Program, Department of Industrial Engineering and Engineering Management, National Tsing Hua University Department of Electrical Engineering, Feng Chia University Chairperson, Boqu Co., Ltd. President, Twinmos Technologies Inc.	CEO, ADATA Technology Co., Ltd. Chairperson, Zhao-Xing Investment Co., Ltd. Director, Zhao Long Investment Co., Ltd. Chairperson, Taiwan Sports Lottery Vice Chairperson, BaaS Innovation Co., Ltd. Chairperson, AWAY SPEED Technology Co., Ltd. Chairperson, Bao Da Investment Co., Ltd. Chairperson, All In Digital Co., Ltd. Chairperson, Wei-Ming Innovation Co., Ltd. Director, Asustor Inc. Director, MaxLuck Biotech Corp. Chairperson, ADATA Holdings Chairperson, ADATA Technology Holdings Chairperson, ADATA (HK) Chairperson, Allied Treasure Chairperson, Alwin Co., Ltd. Chairperson, ADATA SEMICONDUCTOR PRIVATE LIMITED	President	Chen, Ling-Chuan	Spouse	Note 1
					7,514,393	2.54	5,972,402	2.02	3,452,431	1.17	Department of Business Administration, Ming Chuan University Vice President of Procurement, Boqu Co., Ltd. Vice President of Procurement, Twinmos Technologies Inc.	President, ADATA Technology Co., Ltd. Director, Zhao Long Investment Co., Ltd. Director, Taiwan Sports Lottery Director, Bao Da Investment Co., Ltd. Director, TrendForce Corp. Chairperson, ATESTINC Co., Ltd. ADATA TECHNOLOGY (U.S.A.) CFO Director, ADATA Technology B.V. Director, ADATA Technology (India) Director, ADATA Technology (Japan) Chairperson, ADATA INTEGRATION BRAZILS/A Chairperson, ADATA ELECTRONICS BRAZILS/A	CEO	Chen, Li-Pai	Spouse	Note 1
President	ROC	Chen, Ling-Chuan	Female	2014.4.1	7,514,393	2.54	5,972,402	2.02	3,452,431	1.17						

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Vice President	ROC	Lin, Tien-Chiung	Male	2014.1.1	36,184	0.01	0	0	0	0	Department of Law, Soochow University Graduate Institute of American Studies, Tamkang University Editor-in-chief, EBC Asia News CEO, Taiwan Arts & Culture Television	Chairperson, ADATA Technology (Suzhou) Chairperson, ADATA Electronics (Shanghai) Chairperson, Advanced Data Technology (Suzhou) Chairperson, Ci Cai Guang Agricultural Biotechnology Co., Ltd. Chairperson, Long Tian Agricultural Biotechnology Co., Ltd. Director, Taiwan Sports Lottery Director, FULLSUNGLOBAL Development Co., Ltd.	None	None	None	None
Vice President	ROC	Kang, Chien-Chung	Male	2014.11.6	81,132	0.03	0	0	0	0	Ming Chi University of Technology Sales Manager, Symnex Technology International Corporation Deputy Sales Manager, Hon Hai Precision Industry Co., Ltd. Assistant Vice President, HIM Technology Inc.	None	None	None	None	None
Vice President	ROC	Wu, Tsung-Ting	Male	2014.11.6	110,697	0.04	0	0	0	0	Department of Japanese, Tamkang University Procurement Manager, Transcend Information, Inc. Director, Procurement Division, Area South Electronic Corp.	Supervisor, TrendForce Corp.	None	None	None	None
Vice President	ROC	Cheng, Li-Hsiung	Male	2015.4.21	77,089	0.03	43	0	0	0	Master in Mechanical Engineering, Chung Yuan Christian University Senior Engineer, Chunghwa Picture Tubes, Ltd. Manager, ASUS	Chairperson, Machdata Intermediacao De Negocios Ltda	None	None	None	None
Vice President	ROC	Chiang, Chang-Hsien	Male	2017.1.1	1,708	0	0	0	0	0	Department of Electrical Engineering, National Taipei University of Technology	None	None	None	None	None
Vice President	ROC	Hsieh, Tai-Kao (Note 2)	Male	2018.8.10	(Note 2)	-	(Note 2)	-	(Note 2)	-	Master in Industrial Engineering and Engineering Management, National Tsing Hua University President, PNY Technologies Asia Pacific Limited	None	None	None	None	None
Vice President	ROC	Chang, Zhen-Hong	Male	2024.01.17	0	0	0	0	0	0	Department of Computer Science, Tamkang University President, Info-Tek Corporation President, JULUEN Enterprise Senior Director, HannStar	None	None	None	None	None

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and underage children		Shares held in the name of others		Experience (Education)	Concurrently held positions in other companies	Other manager who is the spouse or a relative within the second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Financial Officer and Corporate Governance Officer	ROC	Chen, Yen-Shu	Male	2019.11.11	81,416	0.03	0	0	0	0	Department of Finance, National Sun Yat-sen University Manager, Finance Department, UMC	Director, ATrack Technology Inc. Supervisor, Taiwan Sports Lottery Supervisor, FULLSUNGLOBAL Development Co., Ltd. Supervisor, Zhongtai Multimedia Center Co., Ltd. Director, ADATA SEMICONDUCTOR PRIVATE LIMITED	None	None	None	None
Head of accounting	ROC	Tseng, Shu-Ling	Female	2019.11.11	0	0	0	0	0	0	Master of Accounting, Fu Jen Catholic University Manager, Lanmer Electronics Inc.	None	None	None	None	None
Chief auditor	ROC	Lin, Kui-Hsiang	Female	2011.2.25	0	0	0	0	0	0	MBA, National Taipei University Senior Auditor, PwC Taiwan	None	None	None	None	None

Note 1: Where the chairperson and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or managerial officers) must be disclosed:

The Company's chairperson (and CEO) and president are spouses with high total shareholding ratio. They are engaged in the Company's operations and are on the same page, which improves their operational efficiency and decision making. Furthermore, they fully communicate the Company's recent condition, plans, and policies with directors to implement corporate governance. In June 2023, the Company enhanced the Board's capabilities and supervisory function by adding five independent director seats, and with more than half of all directors not concurrently an employee or managerial officer. The Company currently has the following measures:

1. The five independent directors have an expertise in finance, accounting, and electronics, and can effectively serve their supervisory function.
2. Directors are arranged to participate in professional courses offered by external institutions, such as the Securities and Futures Institute, each year, in order to enhance Board performance.
3. Independent directors can fully discuss and provide recommendations in functional committees for the Board of Directors to reference when implementing corporate governance.

Note 2: Vice President Hsieh, Tai-Kao resigned on July 31, 2023.

(III) Remunerations to directors (including independent directors), supervisors, president, and vice presidents in the most recent year

1. Director's remuneration

December 31, 2023; NT\$ thousand

Title	Name	Director's remuneration						Remuneration for part-time employees (Note 3)						Total of (A + B + C + D + E + F + G) and as a percentage of after-tax net profit		Remuneration received from invested companies other than subsidiaries or the parent company			
		Remuneration (A)		Severance pay and pension (B)		Directors' remuneration (C) (Note 2)		Business expense (D)		Total of (A + B + C + D) and as a percentage of after-tax net profit	Salary, bonus and special allowance (E)	Severance pay and pension (F) (Note 1)		Employee remuneration (G) (Note 2)					
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities			Cash amount	Stock amount						
Directors	Chen, Li-Pai	0	0	0	0	3,000	17,933	33	33	3.033 0.22%	52,586	0	0	3,887	0	59,506 4.22%	74,439 5.28%	None	
	Chen, Ling-Chuan																		
	Bao Da Investment Co., Ltd. Representative: Lin, Tien-Chiung (Note 4)																		
	Bao Da Investment Co., Ltd. Representative: Chen, Yen-Shu (Note 4)																		
	Bao Da Investment Co., Ltd. Representative: Wu, Tsung-Ting (Note 4)																		
	Bao Da Investment Co., Ltd. Representative: Kang, Chien-Chung (Note 4)	0	0	0	0	10,365	10,365	111	111	10.476 0.74%	29,567	377	377	2,209	0	42,629 3.03%	43,647 3.10%		None
	Bao Da Investment Co., Ltd. Representative: Chiang, Shu-Ching (Note 5)																		
	Bao Da Investment Co., Ltd. Representative: Lai, Jia-Hui (Note 5)																		
Independent director	Li, Tsung-Jung																	None.	
	Chen, Tzu-Chang																		
	Hu, Yao-Jen	0	0	0	0	4,500	4,500	357	357	4.857 0.34%	0	0	0	0	4,857 0.34%	4,857 0.34%	None.		
	Hu, Bai-Sha (Note 5)																		
	Hu, Gin-Ing (Note 5)																		
1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company's independent directors are remunerated in accordance with Article 32 of the Articles of Incorporation. If the Company has a profit, no more than 1% shall be allocated as directors' remuneration, and transportation allowance is provided according to attendance in Board and functional committee meetings. 2. Other than as disclosed in the above table, the remuneration of directors providing services (e.g. providing consulting services as a non-employee to the parent company, and all companies and investee companies listed in the annual report) in the latest fiscal year: 0																			

Note 1: Allocation of severance pay and pension expense.

Note 2: The Board of Directors approved the distribution of NT\$17,865 thousand as directors' remuneration and NT\$89,314 thousand as employee remuneration for 2023 on March 8, 2024. This table shows the proposed amount calculated based on last year's actual distribution.

Note 3: Director Chen, Li-Pai, Director Chen, Ling-Chuan, Director Lin, Tien-Chiung, Director Chen, Yen-Shu, Director Wu, Tsung-Ting, Director Kang, Chien-Chung, and Director Lai, Jia-Hui serve concurrently as employees of the Company.

Note 4: Dismissed on June 2, 2023.

Note 5: Appointed on June 2, 2023.

Range of remuneration chart

Remuneration scale applicable to the Company's directors	Name of director		
	Total of (A+B+C+D)	All Consolidated Entities	Total of (A+B+C+D+E+F+G)
	The Company		The Company
	Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Wu, Tsung-Ting Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Bao Da Investment Co., Ltd. Representative – Chiang, Shu-Ching Bao Da Investment Co., Ltd. Representative – Lai, Jia-Hui Independent director: Hu, Bai-Sha and Hu, Gin-Ing	Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Wu, Tsung-Ting Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Bao Da Investment Co., Ltd. Representative – Chiang, Shu-Ching Bao Da Investment Co., Ltd. Representative – Lai, Jia-Hui Independent director: Hu, Bai-Sha and Hu, Gin-Ing	Directors: Bao Da Investment Co., Ltd. Representative – Chiang, Shu-Ching Independent director: Hu, Bai-Sha and Hu, Gin-Ing
Less than NT\$1,000,000			
	Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen	Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen	Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Chen, Yen-Shu Bao Da Investment Co., Ltd. Representative – Wu, Tsung-Ting Independent director: Li, Tsung-Jung, Chen, Tzu-Chang, Hu, Yao-Jen
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)			
	Directors: Chen, Li-Pai and Chen, Ling-Chuan	Directors: Chen, Ling-Chuan	Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Bao Da Investment Co., Ltd. Representative – Lai, Jia-Hui
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)			
			Directors: Bao Da Investment Co., Ltd. Representative – Lin, Tian-Chiung Bao Da Investment Co., Ltd. Representative – Kang, Chien-Chung Bao Da Investment Co., Ltd. Representative – Lai, Jia-Hui

NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Directors: Bao Da Investment	Directors: Bao Da Investment	Directors: Bao Da Investment	Directors: Bao Da Investment	Directors: Bao Da Investment
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	Directors: Chen, Li-Pai	Directors: Chen, Ling-Chuan	Directors: Chen, Ling-Chuan	Directors: Chen, Ling-Chuan
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	Directors: Chen, Li-Pai	Directors: Chen, Li-Pai
NT\$100,000,000 and above	-	-	-	-	-
Total	14	14	14	14	14

2. Remuneration to supervisors: Not applicable because the Company established an Audit Committee in 2017.

3. Remunerations to the president and vice presidents

December 31, 2023; NT\$ thousand													
Title	Name	Salary (A)		Severance pay and pension (B) (Note 1)		Bonuses and allowances, etc. (C)		Employee bonuses (D) (Note 3)				Total of (A + B + C + D) and as a percentage of after-tax net profit (%)	Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash amount	Stock amount	Cash amount	Stock amount		
CEO	Chen, Li-Pai												
President	Chen, Ling-Chuan												
Vice President	Lin, Tien-Chiung												
Vice President	Kang, Chien-Chung												
Vice President	Wu, Tsung-Ting												
Vice President	Cheng, Li-Hsiung												
Vice President	Chiang, Chang-Hsien												
Vice President	Hsieh, Tai-Kao (Note 2)												
		22,934	29,048	702	702	82,736	82,736	7,466	0	7,466	0	113,838 8.08%	119,952 8.51%
													None

Note 1: Allocation of severance pay and pension expense.

Note 2: Vice President Hsieh, Tai-Kao resigned on July 31, 2023, so the amount of remuneration in the table above is from January to July 2023.

Note 3: The Board of Directors approved the distribution of NT\$89,314 thousand as the 2023 employee bonus on March 8, 2024. This table shows the proposed amount calculated based on last year's actual distribution.

Range of remuneration chart

Range of remuneration paid to presidents and vice presidents	Names of president and vice presidents	
	The Company	All Consolidated Entities
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Kang, Chien-Chung	Kang, Chien-Chung
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Chiang, Chang-Hsien and Hsieh, Tai-Kao	Chiang, Chang-Hsien and Hsieh, Tai-Kao
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Cheng, Li-Hsiung and Lin, Tien-Chiung	Lin, Tien-Chiung
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Wu, Tsung-Ting	Cheng, Li-Hsiung and Wu, Tsung-Ting
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Chen, Ling-Chuan	Chen, Ling-Chuan
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	Chen, Li-Pai	Chen, Li-Pai
NT\$100,000,000 and above	-	-
Total	8	8

4. Manager's name and the distribution of employee bonus

December 31, 2023; NT\$ thousand					
	Title	Name	Stock amount	Cash amount	Total
Manager	CEO	Chen, Li-Pai			
	President	Chen, Ling-Chuan			
	Vice President	Lin, Tien-Chiung			
	Vice President	Kang, Chien-Chung			
	Vice President	Wu, Tsung-Ting			
	Vice President	Cheng, Li-Hsiung			
	Vice President	Chiang, Chang-Hsien			
	Vice President	Hsieh, Tai-Kao (Note 3)			
	Financial officer	Chen, Yen-Shu			
	Head of accounting	Tseng, Shu-Ling			
			0	7,996	7,996
					0.57%

Note 1: The Board of Directors approved the distribution of NT\$89,314 thousand as the 2023 employee bonus on March 8, 2024. This table shows the proposed amount calculated based on last year's actual distribution.

Note 2: Pursuant to Order Tai-Cai-Zheng(3)-Zi No. 0920001301 from the FSC dated March 27, 2003, the scope of managers is as follows:

- (1) President or equivalent position
- (2) Vice president or equivalent position
- (3) Assistant vice president or equivalent position
- (4) Head of the Finance Department
- (5) Head of the Accounting Department
- (6) Other positions with the right to manage company affairs and represent the company in signing contracts

Note 3: Vice President Hsieh, Tai-Kao resigned on July 31, 2023, so the amount of remuneration in the table above is from January to July 2023.

(IV) Compare the percentage of after-tax net profit on the standalone and consolidated financial statements distributed by the Company and All Consolidated Entities as remuneration to the Company's directors, supervisors, president, and vice presidents in the most recent two years, and describe the policy, standard, and composition of remuneration, procedures to determining remuneration, and the connection to business performance and future risks.

1. Amount of remuneration to the Company's directors, supervisors, president, and vice presidents in the most recent two years as a percentage of after-tax net profit is analyzed as follows:

	Ratio of the total amount to net income after tax			
	2022		2023	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	18.58%	20.61%	7.59%	8.72%
Supervisor (Note)	0%	0%	0%	0%
President and vice presidents	20.90%	21.37%	8.08%	8.51%

Note: The Company established the Audit Committee in 2017, so there is no remuneration to supervisors.

2. Remuneration policy, standard, and package:

- (1) For the Company's directors' remuneration, according to Article 32 of the Company's Articles of Incorporation, if the Company was profitable during the year, no more than 1% of the profit may be allocated as remuneration for directors.
- (2) Directors receive a fixed transportation allowance based on their attendance in Board of Directors or Functional Committee meetings.
- (3) The remunerations to the president and vice presidents are determined based on industry standards and position's scope of authority and responsibility in the Company. Reasonable bonuses and employee bonuses are given based on the Company's profits, individual work performance, and contribution to the Company's business goals, in order to encourage and retain talent.

3. Procedure for determining remuneration:

Remuneration of directors, president, and vice presidents (including employee bonuses, salary raises, and non-fixed bonuses) must be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

4. The connection to operating performance and future risk:

- (1) The review of the payment standards and systems of the Company's remuneration policy is primarily based on the overall operating status of the Company. It considers performance achievement rates and contributions to determine payment standards, aiming to enhance the overall organizational effectiveness of the Board of Directors and the management department. We also refer to industry salary standards to ensure that the Company's management remuneration is competitive in the industry so as to retain outstanding management talents.
- (2) The President and Vice President remunerations provided by the Company includes long-term bonuses, which are in the form of restricted share awards. It is not paid in

full in the current year of earnings, and its actual value is related to profitability, which shares future business risks with the Company.

- (3) The remuneration of directors already takes into consideration the Company's business goals, financial position, and the duties of directors.
- (4) The remuneration of the president and vice presidents already takes into consideration their professional abilities, the Company's business performance, financial position, and their duties.
- (5) Important decisions made by the Company's managers give consideration to various risk factors. The performance of important decisions reflects on the Company's profitability, and is further connected to the remuneration to managers. In other words, the remuneration of directors, president, and vice presidents is connected to their performance in managing future risks.

III. Implementation of Corporate Governance

(I) Status of Board operations

1. A total of 11 meetings of the Board of Directors (5 meetings of the 8th-term Board and 6 meetings of the 9th-term Board) were held in the most recent year (2023). The attendance of the directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance in person (%)	Remarks
Chairperson	Chen, Li-Pai	11	0	100%	Re-elected during the annual shareholders' meeting on June 2, 2023
Director	Chen, Ling-Chuan	7	4	64%	Re-elected during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Lin, Tien-Chiung	5	0	100%	Dismissed during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Chen, Yen-Shu	5	0	100%	Dismissed during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Wu, Tsung-Ting	4	1	80%	Dismissed during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Kang, Chien-Chung	4	1	80%	Dismissed during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Chiang, Shu-Ching	6	0	100%	Appointed during the annual shareholders' meeting on June 2, 2023
Director	Bao Da Investment Co., Ltd. Representative of institution: Lai, Jia-Hui	6	0	100%	Appointed during the annual shareholders' meeting on June 2, 2023
Independent director	Li, Tsung-Jung	10	1	91%	Re-elected during the annual shareholders'

					meeting on June 2, 2023
Independent director	Chen, Tzu-Chang	11	0	100%	Re-elected during the annual shareholders' meeting on June 2, 2023
Independent director	Hu, Yao-Jen	10	1	91%	Re-elected during the annual shareholders' meeting on June 2, 2023
Independent director	Hu, Bai-Sha	6	0	100%	Appointed during the annual shareholders' meeting on June 2, 2023
Independent director	Hu, Gin-Ing	6	0	100%	Appointed during the annual shareholders' meeting on June 2, 2023

Other disclosures:

- I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:
 - (I) Items specified in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee. Therefore, Article 14-3 is not applicable. Concerning the provisions of Article 14-5 of the Securities and Exchange Act, please refer to the operating status of the Audit Committee (P43 to P46).
 - (II) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and qualified opinions in records or written statements: None.
- II. When there are recusals of directors due to conflicts of interests, names of the directors, contents of resolutions, reasons of recusal, and voting participation should be stated:
 - (I) Chairperson Chen, Li-Pai, Director Chen, Ling-Chuan, Director Chen, Yen-Shu, Director Lin, Tien-Chiung, Director Wu, Tsung-Ting, Director Kang, Chien-Chung, and Director Lai, Jia-Hui.
 Agenda: Proposal to review and resolve on raises, bonuses, and 2023 cash capital increase distribution for the Company's managerial officers in 2023.
 Reason for recusal and participation in voting: The individuals above had a conflict of interest and therefore recused themselves from the discussion and vote on the agenda item.
 - (II) Chairperson Chen, Li-Pai, Director Chen, Ling-Chuan, Independent Director Chen, Tzu-Chang, Independent Director Li, Tsung-Jung, Independent Director Hu, Yao-Jen, Independent Director Hu, Bai-Sha, and Independent Director Hu, Gin-Ing.
 Agenda: Appointment of the members and the conveners of the Remuneration Committee, Corporate Sustainable Development Committee, and Risk Management Committee.

Reason for recusal and participation in voting: The individuals above had a conflict of interest and therefore recused themselves from the discussion and vote on the agenda item.

III. TWSE/TPEX listed companies shall disclose the cycle and period, scope, method, and content of self evaluations of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed once a year.	From January 1, 2023 to December 31, 2023	Performance evaluation of the board of directors, individual board members, and functional committees.	Self-performance evaluation of the Board of Directors, individual board members, and functional committees.	1. Board of Directors Performance Evaluation: Level of participation in the Company's operations, improving the quality of board decision-making, board composition and structure, appointment of directors and their continuing studies, and internal controls. 2. Individual Directors Performance Evaluation: Familiarity with the goals and missions of the company, understanding of a director's duties, level of involvement in the Company's operations, internal relations management and communication, professionalism and continuing education of a director, and internal control. 3. Audit Committee Performance Evaluation: Level of participation in the Company's operations, understanding of the duties of the Audit Committee, improvement of the quality of the audit committee decision-making, audit committee composition and the appointment of committee members, and internal control. 4. Remuneration Committee Performance Evaluation: Level of participation in the Company's operations, understanding of the duties of the Remuneration Committee,

					improvement of the quality of the Remuneration Committee decision-making, the Remuneration Committee composition and the appointment of committee members. 5. Sustainable Development Committee Performance Evaluation: Level of participation in the Company's operations, understanding of the duties of the Sustainable Development Committee, improvement of the quality of the Sustainable Development Committee's decision-making, the Sustainable Development Committee composition and the appointment of committee members.	

IV. Goals for enhancing Board functions in the current year and most recent year (such as establishing an Audit Committee and increasing information transparency) and evaluation of implementation status:

- (I) The Company has appointed five independent directors in accordance with Article 14-2 of the Securities and Exchange Act, in order to implement its corporate governance and enhance Board functions. The Remuneration Committee was established in December 2011 to assist the Board of Directors in managing remuneration. The Audit Committee was established on June 7, 2017 to carry out related operations and perform the duties of supervisors in accordance with Article 14-5 of the Securities and Exchange Act. The Corporate Sustainable Development Committee was established on June 14, 2022, to formulate sustainability policies, make decisions and supervise sustainability-related operations. The Risk Management Committee was established on December 26, 2023, to establish and implement the risk management mechanisms and improve the efficiency of the division of labor for risk management.
- (II) The Company's Board of Directors is composed of members from diverse backgrounds, with members from different industries bringing extensive business experience. The board includes five female directors, and independent directors account for 56% of all directors.
- (III) The Company upholds the principle of information transparency and announces important resolutions of the Board of Directors on the Market Observation Post System (MOPS) and company website after every Board meeting, so as to protect the rights and interests of shareholders.

(II) Operation of the Audit Committee

A total of 8 meetings of the Audit Committee (including 2 meetings of the 2nd-term and 6 meetings of the 3rd-term) were held in the most recent year (2023). The attendance of the independent directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Independent director	Li, Tsung-Jung	7	1	88%	Re-elected as a Committee member on June 2, 2023
Independent director	Chen, Tzu-Chang	8	0	100%	Re-elected as a Committee member on June 2, 2023
Independent director	Hu, Yao-Jen	7	1	88%	Re-elected as a Committee member on June 2, 2023
Independent director	Hu, Bai-Sha	6	0	100%	Newly elected as a Committee member on June 2, 2023
Independent director	Hu, Gin-Ing	6	0	100%	Newly elected as a Committee member on June 2, 2023

Other disclosures:

- I. Summary of the Audit Committee's key work items: The Audit Committee is formed by 5 independent directors and assists the Board of Directors in supervising the Company's quality and integrity with respect to accounting, audit, financial reporting procedures, and financial controls. Matters reviewed by the Audit Committee mainly include:
 - (I) Establishing or amending the internal control system according to Article 14-1 of the Securities and Exchange Act.
 - (II) Evaluation of the effectiveness of internal control policies.
 - (III) Establishment or amendments to asset acquisition/disposal procedures, derivative trading procedures, procedures on loans to others, endorsement and guarantee procedures, and other procedures of major financial consequences as specified in Article 36-1 of the Securities and Exchange Act.
 - (IV) Matters concerning the personal interests of directors.
 - (V) Major asset transactions or derivatives trading.
 - (VI) Material loans, endorsements, or guarantees.
 - (VII) Raising, issuance, or private placement of equity-type securities.
 - (VIII) Appointment, dismissal, or compensation of CPAs.
 - (IX) Appointment and dismissal of financial, accounting, or internal audit supervisors.
 - (X) Annual financial statements and quarterly financial statements signed or sealed by the Chairperson, managerial personnel and accounting officers.
 - (XI) Other important matters provided in the regulations of the Company or the competent authority.
 - Financial Assessment Report
The Board of Directors has prepared and submitted the 2022 business report, financial statements, and earnings distribution proposal. PwC Taiwan has audited the financial statements and submitted an audit report. The Audit Committee has reviewed the aforementioned business report and financial statements, and did not find any instances of noncompliance.

To enhance the Audit Committee's supervision on the Company's finance, the Board of Directors has passed amendments to the Audit Committee Charter on March 8, 2024, which stipulates that quarterly financial statements are subject to the majority approval of the Audit Committee and shall be submitted to the Board of Directors for final approval.

- Evaluation of CPA independence

The Company's Audit Committee evaluates the independence and suitability of the CPAs every year. In addition to requiring the CPAs to provide "Statement of Independence" and "Audit Quality Indicators (AQIs)", it also relies on the standards of the accountant independence assessment and AQIs for the evaluation. It is confirmed that the accountant has no other financial interests and business relationships with the company except for fees for certification and financial tax cases. The accountant's family members do not violate the independence requirements. With reference to the AQI indicator information, it is confirmed that the audit experience and number of training hours of the accountant and firm are better than the industry average. The assessment from the most recent year has been approved by the Audit Committee on March 8, 2024, and submitted to the Board of Directors on March 8, 2024, for resolution on the independence and suitability assessment of the accountant.

II. Where any of the following circumstances occurs with respect to the operations of the Audit Committee, the date on which the Audit Committee holds a meeting, the session, the details of the motions, the dissenting or qualified opinions, or details of major suggestions by independent directors, the resolutions from the Audit Committee, and the Company's measures in accordance with the Audit Committee's recommendations, shall be specified:

(I) Items specified in Article 14-5 of the Securities and Exchange Act: See the table below for details.

Audit Committee	Agenda content	Resolution	The Company's handling of Audit Committee members' opinions
24th meeting of the 2nd-term 2023.3.13	1. The Company's 2022 Business Report and Financial Statements. 2. Proposal to approve the Statement on Internal Control. 3. Proposal to evaluate the accountants' independence. 4. Proposed the pre-approval of the list of non-assurance services that accounting firms and their affiliates are allowed to provide to the Company and its subsidiaries. 5. Proposal to issue restricted stock awards in 2023.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
25th meeting of the 2nd-term 2023.5.11	1. Consolidated Financial Report for Q1 2023. 2. Proposal of the subscription for private equity fund 1686 Partners Fund SCSp. 3. Proposal to apply to	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion

		financial institutions for foreign currency and financial derivative trading limit.		
	1st meeting of the 3rd-term 2023.6.2	1. Election of the convener of the 3rd-term Audit Committee.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2nd meeting of the 3rd-term 2023.7.10	1. Proposal to increase the Company's investment in the Indian subsidiary ADATA Semiconductor Pvt. Ltd. 2. Proposal for the account to issue opinions on the reasonability of the price for the subscription for private equity fund 1686 Partners Fund SCSp. 3. Proposal of the Company's plan to issue common shares for cash capital increase. 4. Formulation of the "Ethical Corporate Management Best Practice Principles".	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	3rd meeting of the 3rd-term 2023.8.8	1. Consolidated Financial Report for Q2 2023. 2. Proposal to amend the internal control system. 3. Proposal to establish the Company's Regulations for First Issuance of Restricted Stock Awards in 2023. 4. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	4th meeting of the 3rd-term 2023.8.31	1. Re-election of the convener of the 3rd-term Audit Committee.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	5th meeting of the 3rd-term 2023.11.8	1. Consolidated Financial Report for Q3 2023. 2. Approval and amendment of the Company's Regulations for First Issuance of Restricted Stock Awards in 2023. 3. First distribution of restricted stock awards to non-managers in 2023. 4. Proposal to amend the internal control system. 5. Proposal to apply to	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion

		financial institutions for foreign currency and financial derivative trading limit. 6. Proposal to apply to financial institutions for syndicated loan guarantee.		
	6th meeting of the 3rd-term 2023.12.26	1. Proposal to amend the internal control system. 2. Proposal to apply to financial institutions for foreign currency and financial derivative trading limit.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire board of directors: N/A.

III. When there are recusals of independent directors due to conflicts of interests, names of the independent directors, contents of resolutions, reasons of recusal, and voting participation should be stated: None.

IV. Communication between independent directors and the chief internal auditor and CPAs (must include material matters of communication, methods, results relating to the Company's financial position and business performance).

(I) The chief auditor prepares monthly audit reports that are submitted to independent directors for review, and independent directors have not held any dissenting opinions.

(II) The communication between the audit officer and independent directors was good. The main items for communication in 2023 are as follows:

Audit Committee	Matter for Communication	Results
2023.3.13	Proposal to approve the Statement on Internal Control.	Submitted to the Board of Directors for discussion and approved by all the Directors present as proposed.
2023.8.8	Audit results from April to June 2023 and follow up	Acknowledged
2023.11.8	Audit results from July to September 2023 and follow up	Acknowledged

(III) The communication between independent directors and CPAs was good. The main items for communication in 2023 are as follows:

Audit Committee	Matter for Communication	Results
2023.3.13	The Company's 2022 Business Report and Financial Statements	Submitted to the Board of Directors for discussion and approved by all the Directors present as proposed.
2023.5.11	Consolidated Financial Report for Q1 2023	
2023.8.8	Consolidated Financial Report for Q2 2023	
2023.11.8	Consolidated Financial Report for Q3 2023	

(III) Status of corporate governance and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company defined and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and disclosed the principles on the company website.	None
II. Shareholding structure & shareholders' equity				
(I) Does the company establish internal operating procedures for handling shareholder suggestions, questions, complaints or litigation and handled related matters accordingly?	✓		(I) The company website has an investor section, and dedicated personnel handle shareholders' suggestions and concerns in accordance with relevant internal procedures.	None
(II) Does the company have a list of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders?	✓		(II) The spokesperson maintains close contact with major shareholders, and increase or decrease of the Company's shares pledged by major shareholders are disclosed in the annual report. Shareholding and changes in number of shares held by insiders are reported each month.	
(III) Does the company establish and implement risk management and firewall systems within its conglomerate structure?	✓		(III) The Company not only established regulations for the acquisition and disposal of assets, endorsements and guarantees, and lending funds to others, but also established "Management Guidelines for Financial Operations Between Related Parties" and "Subsidiary Supervision and Management Regulations," in order to manage the risks of related parties and subsidiaries.	
(IV) Does the company establish internal rules against	✓		(IV) The Company established Regulations for the Prevention of Insider Trading, which prohibits	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
insiders trading with undisclosed information?			the Company's insiders from using undisclosed information to trades securities, in order to prevent insider trading. The Company also irregularly reviews the regulations to comply with current laws and meet practical management needs.	
III. Composition and responsibilities of the board of directors (I) Does the Board of Directors establish and carry out policies and concrete management objectives in diversity?	✓		(I) 1. The Company has stipulated the diversification policy in Chapter 3 “Strengthening Board of Directors Functions” of the “Corporate Governance Best Practice Principles”. The nomination and selection of the Company’s board members shall follow the Company's Articles of Incorporation. The process shall adopt the nomination method. Apart from evaluating the academic qualifications of the candidates, the “Rules Governing the Election of Directors” and “Corporate Governance Principles” shall be followed to ensure board member diversity and independence. 2. Directors who are employees of the Company account for 33% of the board and independent directors account for 56%. The Company places a great emphasis on gender parity on the board. Female directors account for 56%.	None
(II) Does the company voluntarily establish other	✓		(II) The Company has established the Sustainable Development	None

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
functional committees in addition to the Remuneration Committee and Audit Committee?			Committee in 2022 and the Risk Management Committee in 2023, in order to build a good governance system, perfect and strengthen management functions, and be committed to corporate social responsibilities and sustainable development.	
(III) Does the company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	✓		(III) The Company regularly carries out the self evaluations of the Board, the functional committees, and independent directors' performance. The Board of Directors has also passed the Board of Directors Self-Evaluation and Peer Evaluation Regulations on March 27, 2020. The 2023 Board of Directors functional committees and independent directors performance self evaluations have been carried out by the Accounting Department and reported to the Board of Directors on March 8, 2024. Evaluation results will be referenced when determining directors' remuneration and nomination for re-election.	None
(IV) Does the company regularly evaluate the independence of CPAs?	✓		(IV) The Company regularly reviews the independence of the CPAs every year. The Company's Audit Committee evaluates the independence and suitability of the CPAs every year. In addition to requiring the CPAs to provide "Statement of Independence" and "Audit Quality Indicators (AQIs)", it also relies on the standards of the accountant independence assessment and AQIs for the evaluation. It is confirmed that the accountant has no other financial interests and business relationships with	None

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			the company except for fees for certification and financial tax cases. The accountant's family members do not violate the independence requirements. With reference to the AQI indicator information, it is confirmed that the audit experience and number of training hours of the accountant and firm are better than the industry average. The assessment from the most recent year has been approved by the Audit Committee on March 8, 2024, and submitted to the Board of Directors on March 8, 2024, for resolution on the independence and suitability assessment of the accountant.	
IV. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, handling company registration and change of registration, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		The Company has appointed financial officer Chen, Yen-Shu to concurrently serve as the corporate governance officer, and the Accounting Division and Corporate Information Department concurrently serve as the corporate governance unit, providing data required by directors to perform their duties, handling matters related to Board meetings and shareholders' meetings, handling company registration and change of registration, preparing proceedings for Board meetings and shareholders' meetings, and assisting with the enhancement of Board functions.	None
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees,	✓		The Company's Corporate Information Department serves as a communication channel for external personnel or shareholders to inquire the Company about issues. If more detailed information is needed, the	None

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?			questions are forwarded to related departments, and the departments will reply as soon as possible. The Company has established a stakeholder section on our website where dedicated personnel will respond to corporate social responsibility issues.	
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		The Company commissioned Concord Securities Co., Ltd. Transfer Agency Department to handle the Company's shareholder services, and the Company also established Regulations for Stock Affairs for related affairs.	None
VII. Disclosure of Information				
(I) Does the company establish a corporate website to disclose information regarding the company's financial, business and corporate governance status?	✓		(I) The Company has set up a website and continues to regularly update contents. Furthermore, the Company's financial position, business performance, and corporate governance information is disclosed on the MOPS in accordance with regulations.	None
(II) Does the company have other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	✓		(II) The Company has designated personnel handle the collection and disclosure of company information, and has also established the spokesperson system. Information on investor conferences, financial position, and business performance are also uploaded to the MOPS according to regulations.	None
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as	✓		(III) The Company announces and reports Q1, Q2, and Q3 financial statements and monthly operation results within the prescribed time limit, and announces annual financial statements within 75 days after the end of a fiscal year.	None

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
monthly operation results, before the prescribed time limit?				
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(I) Employee rights and care for employees: 1. Employee health management: We provide general and special hazard health examinations on an annual basis, and manage individual cases through tracking and grading assessment results. We also organize a variety of health promotion activities for health management. 2. Employee grievance channels: The Company established an employee opinion box for employees to voice their opinion on any matter. 3. The Company established Regulations for Sexual Harassment Prevention Measures, Application, and Penalties, and strictly prohibits related conduct and accidents from occurring. The Company also irregularly promotes the concept of gender equality so that employees will have the right values. 4. Establishment of personnel rules, systems, and regulations: The Company treats employees as equals. Employees are required to comply with the Company's regulations, but also enjoy the right to voice their opinions. The Company has thus established regulations in compliance with the Labor Standards Act based on its emphasis on human rights and ethical conduct of employees, and even provides benefits that	None

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			exceed regulatory requirements. 5.The Company established various systems and regulations for work hours, leave, remuneration and benefits, and talent development in accordance with the law and regulations. 6.The Company established operating procedures and the organization of the Labor-Management Dispute Settlement and Sexual Harassment Prevention Committee to protect employees rights and interests. 7.The Company established an Employee Welfare Committee and makes pension contributions in accordance with regulations. A variety of events are irregularly organized in hopes that employees will be able to enjoy the rights and interests they are entitled to, and find physical, mental, and spiritual balance in work, life, and family. (II) Investor relations: Dedicated personnel are appointed to handle shareholders' suggestions, announce the Company's material information, and also make routine announcements. (III) Supplier relations: The Company maintains good relationships with suppliers to ensure stable supply. (IV) Stakeholders' rights: The Company's directors recuse themselves from voting on agenda items in which they have a conflict of interest.	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			(V) Continuing education of directors: All the Company's directors have a professional background and practical experience in business administration, and regularly participate in courses as required to understand the latest regulatory changes. Please see page 78~79 of this Annual Report for details on continuing education of directors. (VI) Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations as required by law, and also manages and assesses various risks. Please see page 144 of this Annual Report for the implementation status. (VII) Customer policy implementation: The Company has established Regulations for Handling Customer Complaints to protect consumers' rights and interests, and also purchased product liability insurance. (VIII) Status of purchase of liability insurance by the company for directors: The Company has purchased liability insurance for directors, and the status of insurance is as follows: 1. AIG Singapore: The insurance amount is US\$6,000,000 and the limit of liability is US\$6,000,000. The insurance period is one year and renewed on an annual basis. 2. Fubon Insurance Co., Ltd.: The insurance amount is US\$6,000,000, the limit of liability is US\$6,000,000 in excess and within	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			US\$12,000,000 in total. The insurance period is one year and renewed on an annual basis. 3. Chubb Limited: The insurance amount is US\$6,000,000, the limit of liability is US\$12,000,000 in excess and within US\$18,000,000 in total. The insurance period is one year and renewed on an annual basis.	
IX. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement. (Not required for companies not included in the evaluation)				
Item No.	Evaluation indicators in 2023			Improvement measures in 2024
1.6	Is the Company convening a General Shareholders’ Meeting before the end of May?			It is planned to be convened on May 27, 2024.
2.22	Does the Company's risk management have oversight from a functional committee at the Audit Committee or board level (e.g., Risk Management Committee) and is there a board-approved risk management policy and procedures in place, disclosing the risk management organizational structure, procedures, and operations, which are reported to the board at least once a year?			The Company established the Risk Management Committee on December 26, 2023.

(IV) Composition, duties, and operation of the Remuneration Committee:

1. Profile of Remuneration Committee members

Criteria Identity \ Name		Professional qualifications and experiences	Compliance of independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent director Convener	Hu, Yao-Jen	1. Please refer to “Two. (I) 1. Directors’ Information” (Pages 21 to 25) of the Annual Report for the professional qualifications and experience of directors. 2. The matters stipulated in all paragraphs of Article 30 of the Company Act do not describe the directors.	All members of the Remuneration Committee consist of the five Independent Directors. For the independence of the members, please refer to “Two. (I) 3. Professional qualifications of Directors and independence information disclosure of Independent Directors” (Page 26 to 27) of the Annual Report.	0
Independent director	Li, Tsung-Jung			0
Independent director	Chen, Tzu-Chang			0
Independent director	Hu, Bai-Sha			0
Independent director	Hu, Gin-Ing			3

2. Operation of the Remuneration Committee

(1) There are five members in the Company's Remuneration Committee.

(2) Current term of office: From June 2, 2023 to June 1, 2026. In the most recent year (2023), the Remuneration Committee met 9 times (including 3 meetings of the 4th-term members and 6 meetings of the 5th-term members), and the members' qualifications and attendance are as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Hu, Yao-Jen	8	1	89%	Re-elected on June 2, 2023
Committee Member	Li, Tsung-Jung	7	1	78%	Re-elected on June 2, 2023
Committee Member	Chen, Tzu-Chang	9	0	100%	Re-elected on June 2, 2023
Committee Member	Hu, Bai-Sha	6	0	100%	Re-elected and newly appointed on June 2, 2023.
Committee Member	Hu, Gin-Ing	6	0	100%	Re-elected and newly appointed on June 2, 2023.

Other disclosures:

I. If the Board of Directors does not accept or revises the Remuneration Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinions: Not applicable, please see the table below for details.

Remuneration Committee	Agenda content	Resolution	The Company's handling of the opinions of the Remuneration Committee
28th meeting of the 4th-term 2023.3.13	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all	Submitted to the Board of

		2. Proposal to review the restricted stock awards to managerial officers in 2023.	members in attendance	Directors for discussion
	29th meeting of the 4th-term 2023.4.18	1. Proposal to review the distribution of employee remuneration and directors' remuneration in 2022. 2. Proposal to review the adjustments to managerial officer remuneration in 2023. 3. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	30th meeting of the 4th-term 2023.5.11	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	1st meeting of the 5th-term 2023.6.2	1. Proposal to review the election of the 5th-term convener.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	2nd meeting of the 5th-term 2023.7.10	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	3rd meeting of the 5th-term 2023.8.8	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	4th meeting of the 5th-term 2023.8.31	1. The convener Chen, Tzu-Chang resigned from their position due to busy official duties and proposed re-election of the convener. 2. Proposal for the manager's 2023 cash capital increase through employee subscription distribution.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	5th meeting of the 5th-term 2023.11.8	1. Proposal to adjust the special promotion raise of managerial officers. 2. Proposal to review the distribution of incentive bonuses to managerial officers. 3. Proposal to review the distribution of incentive bonuses to managerial officers serving as directors and supervisors of Taiwan Sports Lottery. 4. Proposal to review the 2022 distribution of employee bonuses. 5. Proposal to review the first issuance of restricted stock awards to managerial officers in 2023.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
	6th meeting of the 5th-term 2023.12.26	1. Proposal to review the distribution of incentive bonuses to managerial officers.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
II.	If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: N/A.			

(V) Composition, duties, and operation of the Sustainable Development Committee:

1. Appointment criteria and duties of the Corporate Sustainable Development Committee:

The Sustainable Development Committee is formed by senior managers, directors, and independent directors, of whom the majority shall be independent directors, and their appointment is based on the decisions of the Board of Directors. The Chairperson of the Board is designated to serve as the Chairperson of the Committee.

The duties of the Committee are as follows:

- I. Approval or recording for future reference of the company's sustainable development policy directions and promotion plans.
- II. Follow-up and advice on the implementation and outcomes of sustainable development.
- III. Review and approval of the standards for preparing sustainability reports.
- IV. Approval or recording for future reference of other matters related to sustainable development.

2. Professional qualifications, experience, and operations of the Corporate Sustainable Development Committee members:

(1) The Company's Corporate Sustainable Development Committee is composed of 7 members.

(2) Current term of office: From June 2, 2023 to June 1, 2026. In the most recent year (2023) the Corporate Sustainable Development Committee met 2 times, and the members' qualifications and attendance are as follows:

Title	Name	Professional qualifications and experiences	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Chen, Li-Pai	Please refer to "Two. (I) 1. Directors' Information" (Pages 21 to 25) of the Annual Report for the professional qualifications and experience of directors.	2	0	100%	Re-elected on June 2, 2023
Committee Member	Chen, Ling-Chuan		2	1	50%	Re-elected on June 2, 2023
Committee Member	Li, Tsung-Jung		2	0	100%	Re-elected on June 2, 2023
Committee Member	Chen, Tzu-Chang		2	0	100%	Re-elected on June 2, 2023
Committee Member	Hu, Yao-Jen		2	0	100%	Re-elected on June 2, 2023
Committee Member	Hu, Bai-Sha		2	0	100%	Re-elected and newly appointed on June 2, 2023.
Committee Member	Hu, Gin-Ing		2	0	100%	Re-elected and newly appointed on June 2, 2023.

Other disclosures:

Specify the meeting date, period, agenda items, recommendations or objections from members of the Corporate Sustainable Development Committee, decision results of the Corporate Sustainable Development Committee, and the Company's handling of opinions on the Nomination Committee:

Sustainable Development Committee	Agenda content	Resolution	The Company's measures in accordance with the Sustainable Development Committee's recommendations
1st meeting of the 2nd-term 2023.8.8	The Company's preparation and declaration of the 2022 Sustainability Report.	Passed with the approval of all members in attendance	Submitted to the Board of Directors for discussion
2nd meeting of the 2nd-term	Proposal of the Company's greenhouse gas inventory and verification schedules,	Passed with the approval of all	Submitted to the Board of Directors for discussion

	2023.12.26	and implementation of progress reports.	members in attendance	

(VI) Composition, duties, and operations of the Risk Management Committee:

1. Qualifications for appointment and the duties of the Risk Management Committee members:

The first Risk Management Committee of the Company was appointed by the Board of Directors on December 26, 2023. It consists of five independent directors, the chairperson, and the president, with Independent Director Hu, Yao-Jen serving as the convener.

Committee members must exercise the care of a prudent manager to fulfill the following duties, report to the Board of Directors, and offer recommendations to the Board of Directors for discussion:

- I. Review the risk management policies, procedures, and structure, and regularly review their suitability and implementation performance.
- II. Determine risk appetite (risk tolerance) and guide resource allocation.
- III. Ensure that the risk management mechanisms can fully handle the risks faced by the Company and be integrated into daily operating procedures.
- IV. Determine the priorities and risk levels of risk controls.
- V. Review the implementation of risk management, propose suggestions for necessary improvements, and report to the Board of Directors regularly (at least once a year).
- VI. Implement the risk management decisions of the Board of Directors.

2. Professional qualifications, experience, and operating status of the Risk Management Committee members:

(1) The Company's Risk Management Committee is composed of 7 members.

(2) Current term of office: From December 26, 2023 to June 1, 2026. The Risk Management Committee was established on December 26, 2023, and has not yet held a meeting in 2023.

Title	Name	Professional qualifications and experiences	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Hu, Yao-Jen	Please refer to “Two. (I) 1.Directors’ Information” (Pages 21 to 25) of the Annual Report for the professional qualifications and experience of directors.	N/A	N/A	N/A	Established on December 26, 2023
Committee Member	Chen, Li-Pai					
Committee Member	Chen, Ling-Chuan					
Committee Member	Li, Tsung-Jung					
Committee Member	Chen, Tzu-Chang					
Committee Member	Hu, Bai-Sha					
Committee Member	Hu, Gin-Ing					
Other disclosures: Specify the meeting date, period, agenda items, recommendations or objections from members of the Risk Management Committee, decision results of the Risk Management Committee, and the Company's handling of opinions of the Nomination Committee: N/A.						

(VII) Sustainable development implementation and deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for such deviations

Item	Implementation status		Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	
I. Has the Company established a governance structure to implement sustainable development, and a fully (or partially) dedicated unit to promote sustainable development? Does the Board of Directors authorize the senior management to handle such matters? Does the Board of Directors supervise such matters? (TWSE/TPEX listed companies shall fill out the implementation status, including non-compliance or explanations.)	✓		The Company's Board of Directors has resolved to establish the Sustainable Development Committee and passed the Sustainable Development Committee Charter on June 14, 2022. The Sustainable Development Committee is formed by senior managers, directors, and independent directors, of whom the majority shall be independent directors, and their appointment is based on the decisions of the Board of Directors. The Chairperson of the Board is designated to serve as the Chairperson of the Committee. Members for the 2nd-term include Chairperson Chen, Li-Pai, President Chen, Ling-Chuan, Independent Director Chen, Tzu-Chang, Independent Director Hu, Yao-Jen, Independent Director Li, Tsung-Jung, Independent Director Hu, Bai-Sha, and Independent Director Hu, Gin-Ing. The duties of the Committee are as follows: I. Approval or recording for future reference of the company's sustainable development policy directions and promotion plans. II. Follow-up and advice on the implementation and outcomes of sustainable development. III. Review and approval of the standards for preparing sustainability reports. IV. Approval or recording for future reference of other matters related to sustainable development. The ESG office is established under the Committee to be responsible for the comprehensive management of business and integrating the implementation results of relevant units. The office reports to the Committee. None
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and		✓	Therefore, the Risk Management Committee

establish related risk management policies or strategies? (TWSE/TPEx listed companies shall fill out the implementation status, including non-compliance or explanations.)			the Taipei headquarters and Suzhou plant). 2. To enhance operational robustness and sustainable development, the Company established a comprehensive risk management culture. We plan to have the Board of Directors approve the "Risk Management Policy and Procedures of ADATA Technology Co., Ltd." in 2024. The policy will outline risk identification, analysis, assessment, response, monitoring, and review mechanisms, aiming to raise risk awareness among all employees. Our goal is to control risks within acceptable limits, ensuring the integrity, rationality, and optimal effectiveness of risk management.	was established on December 26, 2023.
III. Environmental issues (I) Has the company established a suitable environmental management system based on the characteristics of the industry? (II) Is the company committed to improving the efficiency of energy consumption and utilizing renewable materials to reduce the environmental impact? (III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to the related issues?	✓ ✓ ✓		(I) The Company has established a suitable environmental management system based on the characteristics of the industry, and continues to maintain the system's effective operation. (II) The Company not only simplifies product packaging to reduce costs and materials but also incorporates recycled plastics in the casing of UFD (USB flash drives) and HDD (external hard drives), while using FSC-certified paper materials for packaging boxes to avoid deforestation. Additionally, localized production helps reduce the carbon footprint of raw materials and finished product transportation. This approach aligns with environmental protection efforts. Furthermore, we integrate office spaces to efficiently utilize resources, reduce power consumption, and continuously promote paper-saving activities to minimize resource wastage. (III) In response to global climate change, the Company has formulated an internal GHG inventory plan in 2023, which has been certified by an impartial third party in May 2023. We periodically respond to the CDP questionnaire according to customer requirements, and set various targets for improving environmental management based on its requirements, in order to constantly make improvements to the environmental management system. At the same time, we strictly abide by environmental protection laws and regulations. Since our establishment, the Company has never violated any major environmental	None

(IV) Has the company collected statistics of its GHS emission, water consumption, and total weight of waste over the past two years, and formulated policies of GHG reduction, water consumption reduction, or other plans related to waste management?	✓	laws and regulations. We implement our commitment to environmental protection and fulfill our corporate social responsibilities. (IV) The Company also established an EHS policy and monitors energy management, energy policy, waste management, and recycling, and periodically compiles statistics and analyzes energy/resource data. The department immediately reports and handles any anomalies in consumption to eliminate potential risks and prevent waste. 1. Greenhouse gas emissions in 2022 (Taiwan and Suzhou): Scope 1: 360.27 (tCO₂e). Scope 2: 8,905.59 (metric tons CO₂e) Scope 1 + Scope 2: 9,265.06 (metric tons CO₂e) Emission intensity: 0.19 (tCO₂e/million NTD) Scope 3: 93,999.20 (metric tons CO₂e) 2. Water consumption (Taiwan and Suzhou): ADATA's main water intake source is tap water. Total water intake was 89.65 million liters in 2022. Total water intake was 108.10 million liters in 2021. As the Suzhou plant repairs and replaces old pipelines, resulting in less water leakage, the total water intake in 2022 decreased by 17.07% compared to the water intake in 2021. 3. Waste (Taiwan and Suzhou): The total weight of waste was 269.43 metric tons in 2022, which was 8.8% less than 295.43 metric tons in 2021. Waste is divided into general (non-hazardous) waste and hazardous waste. General waste includes daily waste, paper, scrap metal and aluminum, waste wires and cables, etc., accounting for 90.36% of the total waste, and hazardous waste accounts for 9.64% of the total, which is mainly waste electronic components and scraps. The general waste recycling rate was 83.08% in 2022. Hazardous waste recycling rate was 77.52%. 4. Energy conservation and carbon reduction measures (Taiwan): To reduce the environmental impact of our operations, ADATA continues to actively promote	

			energy-saving activities at our operating locations. This includes regional management reducing electricity usage, replacing energy-consuming equipment, and implementing paperless operations. These efforts have led to a reduction in carbon emissions equivalent to approximately 6.03 metric tons CO2e. The Company aims to gradually enhance energy efficiency by improving our environmental and energy management systems.	
IV. Social issues				
(I) Has the company formulated management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	✓		(I) The Company complies with government and local labor laws and regulations, and strives to provide employees with the greatest interests and benefits, for which we have established various rules and regulations. Age, gender, and other factors have no influence on our employment, promotion, remuneration, benefits, and training. We also have a permanent employee opinion box, periodically convene labor-management meetings, conduct investigations on workplace violence, and provide employees with employee assistance programs (EAPs).	None
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(II) The Company provides employees with competitive benefits, and established complete Regulations for Employee Benefits and Rewards. In addition to year-end bonuses, incentives, employee bonuses, and employee stock ownership trusts, we irregularly transfer treasury stock to employees, provide employee subscription rights, and cash capital increase employee subscriptions. The Company's business performance is reflected on employee bonuses.	
(III) Has the company provided employees with a safe and healthy working environment, and routinely implemented safety and health education for employees?	✓		(III) 1. The Company strives to create a green and safe workplace culture, and identifies and assesses environmental considerations and risks. Effective management measures are implemented based on identification results, and EHS related education, training, seminars, and promotions are regularly scheduled. We also plan employee health examinations and health promotion events every year. A five-star medical room is provided for employees, and emergency evacuation drills are conducted semi-	

(IV) Has the company established an effective career developmental plan for its employees?	✓		annually to continuously improve workplace health management. Creating a safe and healthy working environment where employees feel secure is ADATA's responsibility. We uphold a spirit of continuous improvement to optimize operations, reduce occupational safety and health risks, and ensure a safe and healthy occupational environment for employees. 2. In 2023, the Company had a total of 0 major occupational disasters, fire accidents, and false alarms, and there were no monetary losses caused by legal proceedings related to employee health and safety violations. With the goal of zero occupational accidents, the Company continues to conduct risk and health management to reduce risks for all personnel. Achieve the goal of total injury index FSI = 0 in 2023, and strive to create a "zero occupational accident" workplace. (IV) The Company has an education and training department to enhance employees' expertise and general knowledge, and also set KPI for employees, so that employees will have a basis for their growth at work. The Company also has a job rotation and promotion system for employees to learn and grow.
(V) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, marketing, labeling, and other issues? Has the Company established consumer or customer rights protection policies and complaint procedures according to relevant laws, regulations, and international standards?	✓		(V) The Company complies with related laws and regulations as well as international standards, and has been certified by the ISO 9001 international quality management systems, IATF 16949 automotive industry quality management systems, IECQ QC080000 hazardous substance process management systems, and ISO 14001 and ISO 45001 environmental, safety and health risk management systems (the validity period of the certification is from October 24, 2021, to October 24, 2024), so as to build a comprehensive quality, customer health and safety, and environmental protection system. On the basis of achieving customer satisfaction, the Company has established consumer and client after-sale service policies and complaint procedures, and formulated Customer Service Regulations and Regulations on Client Corrective Measures. Consumers can receive services through inquiries via the official website, LiveChat,

(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓	service mailbox and customer service hotline, while clients can obtain the services they need and feedback on improvement through business and related units. In order to measure customer satisfaction through an objective and systematic survey mechanism, we formulated customer satisfaction survey operating program to comprehensively evaluate client and consumer satisfaction, needs and expectations of the Company's products and services, thereby continuously improving quality and customer satisfaction to attain sustainable operation. (VI) The Company established a complete supplier management policy. When conducting supplier evaluations, we first verify that the supplier does not have any abnormal records relating to environmental protection, occupational safety and health, or human rights or laborers before working with them. We include a clause in contracts stating that the contract may be terminated at any time if the supplier is found in violation of such issues. The Company maintains good relationships with suppliers and jointly fulfills corporate social responsibility.	
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainability reports? Has the aforementioned reports obtained verification or guarantee and opinions from third-party authentication units?	✓	The Company issued the 2022 Sustainability Report, which followed the main framework of the Global Reporting Initiative (GRI) 2021 GRI Standards. It also referenced the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Accounting Standards Board (SASB) sustainability indicators, and disclosures from the Task Force on Climate-related Financial Disclosures (TCFD). These were used to disclose ADATA's operational strategies, investments, and performance in sustainable development to stakeholders. The Company's Sustainability Report has been disclosed and confirmed by an external third party (PwC Taiwan).	None
VI. If the company has established sustainability principles based on "Sustainability Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: (I) Environmental Protection, Safety, and Health Management Statement: To carry out CSR and promote environmental, safety, and health management systems, ADATA has fulfilled the responsibility to protect natural resources and the health and safety of employees. We recognize that emphasizing environmental resources and respecting life are the only methods for promoting sustainable corporate development. To achieve zero pollution and zero occupational hazards, the Company is dedicated to promoting			

environmental protection, developing green products, effectively utilizing resources, preventing damages and control risks, and implementing environmental, health, and safety self-management in each unit to establish a green and safe workplace culture.

The Company passed the environmental management system certification (ISO 14001: 2004) in 2005, passed the occupational health and safety management system certification (OHSAS18001: 2007) in 2007, passed the Taiwan Occupational Safety and Health Management System (TOSHMS) certification in 2009, passed the occupational safety and health management system performance certification in 2011, passed Taiwan's occupational safety and health management system certification (CNS15506: 2011) in 2013, passed the environmental management system certification (ISO14001: 2015) and the occupational safety and health management system certification (ISO45001: 2018) together in 2018, passed the organizational greenhouse gas inventory (ISO14064-1: 2018) in 2023, upholding the spirit to constantly improve management systems to maintain the effectiveness of certificates.

(II) EHS promotion organization:

Each factory established an Environment Safety Committee to implement the Company's EHS operations, and the committees are responsible for making EHS decisions. The chairperson of the committees is a management representative appointed by the chairperson of the Board of Directors to assist with overall supervision, and committee members are senior executives. Employees elect representatives from among themselves to jointly implement environment safety affairs.

(III) Risk management:

Senior executives conduct reviews of the impact on the Company's EHS, and verify if improvement and control goals are able to effectively lower risks. Related management procedures are formally announced to inform all employees. Besides providing a basis for the Company's departments to implement risk management, the procedures cause departments to monitor and consider the impact of routine operations on EHS, so that risk management can be better implemented.

The Taiwan Head Office and branches in Suzhou and Brazil all implemented their business continuity plan in 2021, and regularly conducted drills for designated issues. Besides ensuring effective risk management, this will also mitigate the impact of accidents on operations, so that customers will feel more at ease.

(IV) Safety and health management:

1. Labor health protection:

(1) Four major health service projects: We implemented four major projects for the prevention of illness caused by abnormal workload, prevention of ergonomic hazards, prevention of unlawful infringement, and material health protection, and review and make adjustments based on implementation results.

(2) Health management: We organize health promotion activities, annual health examinations, massage services provided by the visually impaired, physician stationed in factories, and established a Sports and Leisure Center.

2. Safety and health performance evaluation: For the continued effective implementation of environment safety management and to prevent labor safety incidents from occurring, the safety and health management performance of each region is evaluated on a monthly basis, and results are used as the basis for rewards and penalties.

3. Other safety and health management: We periodically review regulatory compliance, conduct emergency evacuation drills, and monitor the work environment, and also implement contractor, change, and chemicals management.

4. Epidemic prevention: In response to the COVID-19 pandemic from 2020 to 2023, we formulated a complete epidemic prevention plan in advance and implemented various epidemic prevention measures with rolling adjustments based on circumstantial changes to ensure the health and safety of all employees.

5. Safety and health management plan:

Strategy	Plan	Goal
Health promotion Loss prevention (TP)	Weekly cleaning and maintenance of the PE shrinking machine	Improve the operation safety rate of PE shrinking machine operators, and the PE shrinking film weekly cleaning and maintenance rate is 100%.
	Strengthen contractor management measures during the procurement stage.	Add environmental safety specification clauses to purchase orders to prevent contractors from omitting relevant safety information.
	ESG series open online courses	Provide online courses and use electronic teaching materials to save resources and reduce the risk of traffic accidents for employees traveling back and forth.
Health promotion Loss prevention (SZ)	Prevent accidents from occurring	1. Implement inspection points for fire protection equipment to ensure that they are functioning properly and without errors. 2. The regular inspection rate of special equipment and special tools is 100%.
	Implement safety training to prevent accidents	1. The passing rate of safety management personnel training is 100%. 2. The passing rate of on-the-job safety training is 100%.
	Implement safety training to prevent accidents	Completion rate of training in the annual education and training plan is 100%.
Health promotion Loss prevention (BR)	Prevent accidents from occurring and provide a safe working environment.	1. Completion rate of the implementation of environmental safety inspections is 100%. 2. Completion rate of the implementation of regular equipment inspections is 100%. 3. Take corresponding actions to all incidents on records and manage and record all incidents on-the-job.
	Encourage employees to participate in documenting work-related incidents	Ensure that all employees adhere to their respective working hours and do not exceed legal limits on working hours.

(V) Environment management:

1. Environmental philosophy:

Environmental protection has attracted great attention around the world due to the growingly severe environmental pollution and climate change. We have a deep understanding that the more we grow our business, the greater our responsibility to the economy, environment, and society. "Think Big" is the goal that drives us to be more innovative and work harder. Besides focusing on our own operations, we hope to look wider and farther when it comes to environmental, economic, and social strategies. Hence, we strive to develop and design green products through innovative technologies, and thereby ensure the sustainability of natural resources.

2. Environmental protection strategy:

- (1) Environmental: Energy/Resource management, pollution control, and GHG inventory.
- (2) Product: Develop innovative green technologies and green products.
- (3) Operations: Green and clean production, green supply chain, and green logistics.
- (4) Society/Culture: Raise employees' environmental protection awareness, care for the natural environment, and fulfill corporate social responsibility.

Our management strategy is to establish management systems, and we implemented the ISO14001, ISO45001, and QC080000 management systems. In addition to the four aspects above, we also linked them to our environmental policy and goals. By reducing energy/resource consumption, managing our GHG inventory, developing green products, and raising awareness of the natural environment, we seek to achieve a win-win situation for our business continuity and environmental protection.

3. Environmental protection management plan:

Strategy	Plan	Goal
Energy/Resource management Pollution control (TP)	Environmentally friendly hotel trips	From 2024, more than 50% of hotel contracts will be signed with hotels which implemented environmental protection measures.
	Implement environmental protection education and training	Continue to provide environmental protection-related training courses on topics such as carbon trends.
	Green Planet hiking event	Organize hiking activities with an average of 63,000 steps and exercise once a week to enhance employees' awareness of green health.
	Cooperate with e-commerce platforms to link listing systems	Automatically synchronize digital product information to save man-hours and energy consumption.
	Green server rooms	Establish a green energy-saving server room to effectively save 20% of electricity consumption.
	Replacement of environmentally friendly diesel trucks	Replace old trucks with environmentally friendly phase 6 trucks to reduce fuel consumption by 10%.
	Digitization of applications for Welfare Committee expenses	In 2023, all Welfare Committee application forms were digitized, reducing paper usage and time used for manual signing.
	Packaging reduction	Introduced CARD boxes in Q4 2023, reducing material usage by 0.88%.
	Avoiding the use of hazardous materials	Completely implement the French packaging ban on mineral oils by the end of March 2024.
Energy/Resource management (SZ)	Introduction of DC motor vortex products	Introduce energy-saving products to effectively reduce energy consumption and carbon emissions.
	Power saving	The cost of electricity consumption by unit product in 2023 was 3% than in 2022.
	Conserve water	The total amount of average tap water consumption per person in 2023 was 1% than in 2022.
Energy/Resource management (BR)	Use clean energy	The introduction of solar power generation in December 2023 effectively saves approximately 3.6% of electricity consumption while reducing carbon emissions.
	Covers the 3 scopes of the greenhouse gas plan and demonstrates the use of renewable energy	The inventory covers the 3 scopes of the greenhouse gas plan. We implement the use of renewable energy in response to the environmental policy of green production.
	Control and reduce water consumption in the production process.	Consume a maximum of 1 Kw per Integrated Circuit, SSD and DRAM produced.

Energy conservation and waste reduction (BR)	Control and reduce the amount of effluents generated by the production process. Control and reduce the amount of solid solids in the production process.	The each IC produced can use up to 2.5 liters of treated wastewater. Allocate a maximum of 1.5 Grs of waste per Integrated Circuit, SSD and DRAM produced.

4. GHG inventory:

In recent years, climate change has become the most severe environmental issue faced by the world. In order to fulfill our corporate social responsibility and responsibility as a citizen of the Earth, and also support the competent authority's energy conservation and carbon reduction policy, the Company continues to implement GHG inventory in its three locations around the world since 2023, and will implement GHG impact identification at each location in accordance with the ISO 14064--1 standards. Our senior management will set reduction goals for the short, medium and long term to ensure the accomplishment of net zero emissions by 2050. We will also disclose and report on our carbon reduction performance to stakeholders. Through systematic GHG reduction measures, we hope to mitigate global warming and ensure the sustainable development of environmental resources, the economy, and society.

5. Energy/Resource management:

Besides voluntarily compiling our GHG inventory, we are also making active efforts to achieve our energy conservation and carbon reduction goals. For example, a natural cooling system is adopted for central air-conditioning equipment to replace central air-conditioning equipment and reduce energy consumption. Properly conduct preventative maintenance for equipment, reduce electricity consumption, strengthen inspections of water supply facilities, and promptly repair aging and leaking pipelines to reduce the occurrence of water leaks and avoid water consumption. Implementation of energy-saving measures such as replacing energy-efficient lighting fixtures, enabling automatic sleep mode on computers, installing power outlet timers, implementing responsibility zones for turning off lights, setting air conditioning temperatures at 26 degrees, managing procurement times, virtualizing IT servers, simplifying shipment packaging, reducing external box labels, minimizing paper pallets, improving transportation efficiency, digitizing catalogs, recycling and reusing stationery, reducing paper cup usage, upgrading desktop computers to notebooks for enhanced performance, digitizing health check services, and conducting ongoing environmental education programs to raise employee awareness and embed sustainability within the culture of the Company.

6. Develop green products:

Projects such as product design optimization, energy conservation, packaging material reduction, and low-carbon technology transformation. For example, the amount of paper used for e-sports model manuals is reduced by 80%. We partnered with Kerry Darong to launch home delivery services with electric tricycles to build Taiwan's green energy logistics industry chain.

7. Waste management:

In order to effectively achieve waste management and sustainable resource use, our waste management strategy has a primary focus on reducing waste and establishing recycling categories. This increases the amount of waste that is recycled and reduces the amount of waste that is incinerated and buried. The integrated management operations are carried out by dedicated personnel appointed in accordance with applicable environmental protection laws and regulations. Furthermore, the Company strictly selects waste clearance and treatment companies that meet qualifications, and irregularly inspects these companies' waste treatment procedures to ensure that the waste is properly handled in accordance with the law. This meets requirements set forth in environmental protection-related laws and regulations, and also contributes to the increasingly severe environmental issues.

(VI) Community involvement:

TP head office:

1. Since our establishment (2001), ADATA has been supporting the Chung Yi Social Welfare Foundation, implementing sustainable care and taking action to support orphaned children. Our donations amount to nearly NT\$25 million cumulatively, helping with the education of nearly 2,000 children.
2. ADATA Technology cultivates sustainability talents all over the world! Since ADATA established the "Hummingbird Fund" in 2022, we have spread the spirit of hummingbird to all corners of the world through this fund, sponsoring sports equipment for young athletes in 30 remote areas across Taiwan, and supporting Mexican Olympic athletes to develop in the field of sports, cultivating international sports talents with practical actions. ADATA has also partnered with our branches in Brazil and the United States to cooperate with local charity groups to focus on the early treatment of children with autism in the United States and to provide food assistance to Brazilian children and homeless people! In addition, ADATA has held the "ADATA Parent-Child Painting and Photography Competition" for children for six consecutive years since 2018. Over the years, ADATA has brought children to children's playgrounds, zoos, and science education centers, and launched painting and photography activities to develop children's creative thinking. Through the implementation of scientific cross-domain integration, we are committed to cultivating talents with both technological and cultural qualities to lead the future.
3. "Sports is an important driving force for sustainable development". Sports can convey the power to influence people's hearts. For the past 10 years, ADATA has supported the international "Taroko Gorge Marathon," using sports to promote sustainable positive energy. Over the years, it has attracted over 120,000 runners globally, reaching an accumulated publicity audience of 6 million people. ADATA encourages runners to embody the spirit of the hummingbird, promoting environmental sustainability together.
4. ADATA Technology continues to pay attention to community needs. In 2023, ADATA supported the winter needs of vulnerable groups by donating 1,000 winter jackets to five charitable organizations/foundations. Simultaneously, we also donated daily necessities and food to remote villages and charitable organizations, aiming to create a better future for the public.
5. The Company was invited to participate in the New Taipei City Disaster Prevention Drill to promote community relations and enhance its corporate image, and was honored as a disaster prevention company.
6. The Company actively participated in environmental beach cleaning activities and was commended for coastal adoptions by the New Taipei City Environmental Protection Bureau.
7. Since 2015, we have been organizing charity events for donating second-hand items and holding charity auctions. The total amount raised so far is NT\$850,825, which is all donated in the name of "All Employees of ADATA Technology" to relevant charitable organizations.

Suzhou plant: Suzhou plant employees donated to the Suzhou Charity Federation through charity sales.

Brazil plant: Donate food to two organizations providing shelter to poor children every month.

(VII) Other environment safety awards:

Taipei headquarters: 1. Continues to be certified as Accredited Healthy Workplace

2. Continues to be named Certified Sports Company

3. Continue to be nominated as a Ministry of Environment and New Taipei City outstanding green procurement enterprise.

4. CHR Healthy Corporate Citizens won the Gold Award (company with 500 to 1,000 employees)

5. Awarded the National Enterprise Environmental Protection Bronze Award and invited to the Presidential Office

Suzhou plant: The Suzhou plant won the 2023 Science and Education Innovation Zone Safe Production Social Responsibility Enterprise

(VIII) Climate-related information of TWSE/TPEX listed companies:

1. Implementation status of climate-related information

Item	Implementation status
1. Description of the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management. 2. Description of how the identified climate risks and opportunities affect the operations, strategies, and finances of companies (short term, medium term, and long term). 3. Description of the financial impacts of extreme climate events and transitional actions.	1. The Company's Board of Directors has established the "Risk Management Committee" and "Corporate Sustainable Development Committee" and reports the implementation progress to the Board of Directors according to the greenhouse gas inventory and verification schedules. 2. The Company conducts strategy and financial impact assessments for these risk and opportunity items, taking into account risk adaptation and mitigation activities, research and development investments, business types, operating locations, and their impact on the Company's business and strategy. Short term: In the future, companies will face risks related to meeting net-zero carbon emission requirements. This means that companies will need to ensure that their product manufacturing processes, services, and procurement policies comply with environmental standards. Mid-term: The imminent implementation of environmental regulations such as the Climate Change Response Act, renewable energy regulations, and water consumption fee collection, as well as increases in greenhouse gas emission pricing, will increase operating costs. Long term: The costs of acquiring low-carbon energy, investing in low-carbon energy sources, and the risks associated with transitioning to new energy sources must be planned for in the long term or through phased approaches. 3. Description of the company's assessment of the impact of extreme climate events: Acute: Typhoons, floods, droughts -> Losses due to production suspension and repairs to plants and equipment. Long-term: Rising temperatures -> Increased electricity usage, fire damage, cooling system acquisition costs. Long-term: Changes in rainfall patterns -> Water storage, investment in drainage systems, additional equipment repair costs. Description of the impact of transformation actions: Short term: Costs derived from developing and manufacturing low-carbon or net-zero products. Mid-term: Carbon fees, carbon inventories, carbon tariffs and other related costs incurred in response to the environmental protection

4. Description of how the identification, evaluation, and management of climate risks are integrated in the overall risk management system. 5. If scenario analysis is used to assess resilience against climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described. 6. If there is a transitional plan for responding to climate-related risks, the content of the plan and the indicators and targets for identifying and managing physical risks and transition risks should be described. 7. If the internal carbon pricing is used as a planning tool, the basis of the pricing should be stated. 8. If climate-related goals are set, information on the covered activities, scope of greenhouse gas emissions, planning timeline, and progress achieved annually should be stated. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsets or the number of RECs used for carbon reduction should be stated. 9. Greenhouse gas inventory, assurance, and reduction objectives, strategies, and specific action plans (to be filled in the table below: 2. The Company's greenhouse gas inventory and assurance in the past two years).	regulations of various governments. Long term: Obtain low-carbon energy-related plans. 4. The Company will analyze the definitions of transition risks, physical risks, and opportunities based on the recommendations of the TCFD. Relevant departments will identify the main short-, medium-, and long-term impact periods for each risk and opportunity item. Strategies and financial impact assessments are conducted for these risk and opportunity items, taking into account risk adaptation and mitigation activities, research and development investments, business types, operating locations, and their impact on the Company's business and strategy. These include the identification and assessment of transformation risks, physical risks, and opportunities related to climate change, impacting both the operational impact and the likelihood of occurrence for the Company. 5. The Company has not yet adopted scenario analysis and assessment, and subsequent research is in progress. 6. The Company's transformation plan for managing climate-related risks has yet to be developed. 7. The Company has not implemented internal carbon pricing. 8. The company is currently conducting greenhouse gas inventory and verification to facilitate subsequent development of climate-related goals. 9. The Company is a parent company of a listed company with a paid-in capital of less than NT\$5 billion. The Company should complete the disclosure of inventory information starting from 2026 and complete the disclosure of assurance information starting from 2028. The Company has completed greenhouse gas inventories for the Taipei headquarters and Suzhou in China ahead of schedule. Discussions are ongoing regarding reduction targets, strategies, and specific action plans.

2. The Company's greenhouse gas inventory and assurance in the past two years:

(1) Greenhouse gas inventory information:

Description of the emission volume (tons CO ₂ e), intensity (tons CO ₂ e/million NTD) and scope of information of greenhouse gases in the past two years.				
Greenhouse gas emissions and emission intensity in 2022 (Taipei headquarters and Suzhou plant)				
Item	Taipei headquarters	Suzhou plant	Total	
Scope 1 (tCO ₂ e)	71.02	289.25	360.27	
Scope 2 (tCO ₂ e)	969.07	7,936.52	8,905.59	
Scope 1 + Scope 2 (tCO ₂ e)	1,040.09	8,225.77	9,265.86	
Emission intensity (tCO ₂ e /million NTD)	0.04	0.41	0.19	
Scope 3 (tCO ₂ e)	78,404.42	15,594.78	93,999.20	
Note: The greenhouse gas inventory standard references ISO 14064-1:2018 (Taipei/Suzhou)				

(2) Greenhouse gas assurance information:

Description of the assurance status in the last two years as of the publication date of the Annual Report, including the scope of the assurance, the assurance agency, the criteria for the assurance, and the assurance comments.
The Company is a parent company of a listed company with a paid-in capital of less than NT\$5 billion. The Company should complete the disclosure of inventory information starting from 2026 and complete the disclosure of assurance information starting from 2028.

(3) Greenhouse gas reduction objectives, strategies, and specific action plans:

Description of the greenhouse gas reduction base year and its data, reduction objectives, strategies, specific action plans, and achievement of reduction objectives.
The Company is a parent company of a listed company with a paid-in capital of less than NT\$5 billion. The Company should complete the disclosure of inventory information starting from 2026 and complete the disclosure of assurance information starting from 2028. The greenhouse gas reduction objectives, strategies, and specific action plans for the current stage is pending discussion.

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

The Company complies with related laws and regulations and has established and implemented its internal control system. Financial statements are announced on the MOPS and the company website after being audited (reviewed) by the CPAs, and directors, managerial officers, and employees are regularly briefed on related regulations.

Evaluation item	Implementation status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches (I) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?	✓		(I) The Company has formulated the "Ethical Corporate Management Best Practice Principles" in July 2023, which includes ethical management policies and practices. In addition to being approved by the Board of Directors, these principles are also publicly disclosed on the Company's official website. The directors and managers of the Company have all signed statements stating that they have not violated the ethical principles.	None
(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) Article 7 of the Company's "Ethical Corporate Management Best Practice Principles" stipulates a plan to prevent dishonest behavior, which covers violations of laws and regulations, malpractice for personal gain, and the acceptance of bribes and commissions. Preventive measures against theft, misappropriation, misappropriation, or loss of public funds, public property, and financial assets of employees or business partners.	
(III) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?	✓		(III) The Company established a Code of Ethics that requires personnel to avoid any conflict of interest, avoid actions for personal gain, and avoid violations of fair trade.	
II. Implementation of ethical corporate management (I) Does the company evaluate the ethical records of parties it does business with and stipulate ethical conduct clauses in business contracts? (II) Did the company establish a dedicated unit under the	✓	✓	(I) The Company established a Code of Ethics that requires personnel to avoid any conflict of interest, avoid actions for personal gain, and avoid violations of fair trade. (II) The Company is planning to set up a dedicated unit for ethical	The Company is planning to establish a dedicated unit, exerting every effort in implementing

Board of Directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan? (III) Does the company establish policies to prevent conflict of interests, provide appropriate channels for filing related complaints and implement the policies accordingly? (IV) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit? (V) Does the company regularly hold internal and external educational trainings on ethical corporate management?	✓ ✓ ✓		corporate management; for the time being, relevant operations are performed by relevant departments according to their duties and business scope. (III) The Company established a Code of Ethics and encourages employees to report any violations they suspect or have discovered to managerial officers, the chief internal auditor, or other appropriate personnel. (IV) The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management, and internal auditors regularly conduct audits and report to the Board of Directors. (V) The Company continues to promote its business philosophy and the importance of ethical corporate management during various meetings, and also during employee education and training sessions.	ethical corporate management. No significant difference.
III. Operation of the whistleblowing system (I) Does the company establish concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused? (II) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation?	✓ ✓		(I) 1. The Company provides a number of communication channels. In addition to the employee opinion box, the Company also set up a employee suggestion box to encourage employees to directly report any violations they suspect or have discovered to the CEO. Employees can also submit reports to managerial officers, the chief internal auditor, or other appropriate personnel. Whoever receives the report will handle it according to applicable regulations. 2. Information on the whistleblowing and complaint channels is as follows: Hotline: (02)8228-0886 E-mail: adata@adata.com (II) The Company has appointed designated personnel to handle opinion boxes and directly report to the CEO, while maintaining a certain level of confidentiality of the whistleblower's identity.	None

(III) Does the company provide proper whistleblower protection?	✓	(III) The Company encourages employees to use the communication channels and put the Company on track for positive development, ensuring the implementation of ethical corporate management. Whistleblowers will not be treated inappropriately for whistleblowing.	
IV. Enhancing information disclosure (I) Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	✓	(I) The Company discloses its history and vision on the company website to promote its philosophy of ethical corporate management, and established a Corporate Information Department, which is responsible for improving the Company's image and serves as a communication channel for investors. The department ensures the correctness, timeliness, and fairness of information disclosures to lower investors' risks, and prevents operational risks caused by the Company's image.	None
V. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies: None.			
VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles)			
(I) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations for public companies, and other laws related to business practices, and use them as the basic principles for implementing ethical corporate management. (II) The Company sets forth the system for directors to avoid conflict of interest in the Rules of Procedure for Board of Directors Meetings. A director may offer his opinion and answer related questions but is prohibited from participating in discussion of or voting on any proposal of a board of director's meeting where the director or any institution that the director represents is an interested party, and such participation is likely to prejudice the interests of the company; neither shall a director vote on such proposal as proxy for any other director in such circumstances. (III) The Company's Regulations for the Prevention of Insider Trading clearly stipulates that directors, managerial officers, and employees may not disclose material insider information to others, and may not inquire or collect undisclosed material insider information unrelated to their position from individuals that possess such information. Undisclosed material insider information not obtained while performing duties may not be disclosed to others either. (IV) The Company's "Procedures for Handling Material Inside Information" is in accordance with the "Management Controls for the Prevention of Insider Trading." Material information is disclosed in accordance with the definitions and standards set forth in the "Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act" and "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities." All individuals with the Company's material inside information must abide by Article 157-1 of the Securities and Exchange Act when trading the Company's securities, in order to prevent insider trading. The Company has also established internal control mechanisms and provided timely education, informing all employees, managerial officers, and directors of the system to prevent them from violating the law or engaging in insider trading. (V) The Company has formulated the "Ethical Corporate Management Best Practice Principles", which clearly stipulates that directors, managerial officers, employees, assignees or persons with substantial control capabilities, in the process of engaging in business, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.			

- (X) If the company has established corporate governance principles and related guidelines, disclose the means of accessing this information:

Please see the Corporate Governance Section on the company website for details.

- (XI) Other significant information which may improve the understanding of corporate governance operations:

1. Corporate Governance and Code of Ethics

(1) Code of Ethical Conduct

The Company established the Code of Ethics to guide the conduct of directors and supervisors to meet ethical standards, and for the Company's stakeholders to better understand the Company's ethical standards, so as to prevent a conflict of interest, avoid conduct for personal gain, ensure that confidentiality obligations are fulfilled, and protect and properly use the Company's assets.

(2) Regulations for the Prevention of Insider Trading

The Company established the Regulations for the Prevention of Insider Trading to prevent the Company or insiders from unintentionally (e.g., being unfamiliar with provisions of the Securities and Exchange Act) or intentionally violating insider trading regulations, which will cause the Company or insiders to become involved in lawsuits or sustain damages to reputation.

(3) Regulations for Handling Material Insider Information

The Company established the Regulations for Handling Material Insider Information to provide good mechanisms for directors, managerial officers, and employees to handle and disclose material insider information, prevent information leakage, and ensure the consistency and correctness of information announced by the Company. The Company will notify all employees of the establishment and any subsequent amendments to the regulations via e-mail, and will also make an announcement on the Company's intranet, where the latest version of the regulations can be accessed at any time.

- (4) The Company's Procedures for Handling Material Inside Information is in accordance with its Management Controls for the Prevention of Insider Trading. Material information is disclosed in accordance with the definitions and standards set forth in the Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act and Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. All individuals with the Company's material inside information must abide by Article 157-1 of the Securities and Exchange Act when trading the Company's securities, in order to prevent insider trading. The Company has also established internal control mechanisms and provided timely education, informing all employees, managerial officers, and directors of the system to prevent them from violating the law or engaging in insider trading.

(5)Employee Code of Conduct or Ethics

The Company has compiled the Employee Handbook, which details the code of conduct for employees, and has established the Regulations for Employee Rewards and Penalties, which serve as a basis for employee conduct at work.

2. The Company's directors and managerial officers regularly participate in corporate governance-related training courses:

- (1) Continuing education of directors (including independent directors) in the past year

Title	Name	Date of appointment	Date of continuing education		Organizer	Course name	Hours	Does continuing education comply with regulations
			Start	End				
Director	Chen, Li-Pai	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Director	Chen, Ling-Chuan	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Representative of institutional director	Chiang, Shu-Ching	2023/6/2	2023/7/12	2023/7/12	Accounting Research and Development Foundation of the Republic of China	How to correctly understand corporate governance evaluation indicators	3	Yes
			2023/7/14	2023/7/14		Analysis of “Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies” and “Road Map” related policies	3	Yes
			2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Representative of institutional director	Lai, Jia-Hui	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management	3	Yes

						capabilities		
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
			2023/12/6	2023/12/6	Accounting Research and Development Foundation of the Republic of China	The latest policy developments and internal control management practices related to "ESG Sustainability" and "Self-preparation of Financial Reports"	6	Yes
Independent director	Li, Tsung-Jung	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Independent director	Chen, Tzu-Chang	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Independent director	Hu, Yao-Jen	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Independent director	Hu, Bai-Sha	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
Independent director	Hu, Gin-Ing	2023/6/2	2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
			2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes

(2) Continuing education of the Company's managerial officers and chief auditor

① Directors Chen, Li-Pai and Chen, Ling-Chuan are also managerial officers of the Company. Hence, their participation in corporate governance-related continuing education and training is already disclosed in the table "Continuing education of directors (including independent directors) in the past year" above.

② Continuing education of the Company's accounting supervisor in the most recent year is as follows:

Title	Name	Date of continuing education		Organizer	Course name	Hours	Does continuing education comply with regulations
		Start	End				
Head of accounting	Tseng, Shu-Ling	2023/9/6	2023/9/6	Accounting Research and Development Foundation of the Republic of China	Common deficiencies in the compilation of corporate financial reports and compliance with internal audit and internal control laws	6	Yes
		2023/12/4	2023/12/4		Promote corporate sustainable development through "risk management"	6	Yes

③ Continuing education of the Company's chief auditor in the past year is as follows:

Title	Name	Date of continuing education		Organizer	Course name	Hours	Does continuing education comply with regulations
		Start	End				
Chief auditor	Lin, Kui-Hsiang	2023/11/15	2023/11/15	The Institute of Internal Auditors - Chinese Taiwan	Improve corporate sustainability value and complete the risk management system.	6	Yes
		2023/12/1	2023/12/1		Practical discussions on integrating sustainable ESG practices with internal audits and internal controls of enterprises.	6	Yes

④ Continuing education of the Company's corporate governance officer in the most recent year is as follows:

Title	Name	Date of continuing education		Organizer	Course name	Hours	Does continuing education comply with regulations
		Start	End				
Corporate Governance Officer	Chen, Yen-Shu	2023/7/13	2023/7/13	Taiwan Stock Exchange and Taipei Exchange	Publicity meeting on sustainable development action plans for listed companies	3	Yes
		2023/9/20	2023/9/20	Accounting Research and Development Foundation of the Republic of China	Common deficiencies in "Financial Report Reviews" and practical analysis of important internal control regulations	6	Yes
		2023/9/23	2023/9/23	Securities & Futures Institute	Establish corporate carbon asset management capabilities	3	Yes
		2023/9/23	2023/9/23		Technology and application opportunities of ChatGPT	3	Yes
		2023/12/4	2023/12/4	Accounting Research and Development Foundation of the Republic of China	Promote corporate sustainable development through "risk management"	6	Yes

3. Succession planning for Board members and important managerial staff

(1) Board member successor planning

The composition of the Company's Board of Directors takes into consideration the operation, business model and developmental needs of the Company, and aims at diversity. We seek suitable candidates for the Board members using diverse criteria of gender, age, professional knowledge and skills, and industrial experience. We adopt the candidate nomination system as required by the Company's Articles of Association, and the directors are elected by the Shareholder's Meeting.

The Company regularly develops director training plans based on the Company's size, business, future strategic development, and the professional knowledge required by the directors. The Remuneration Committee establishes and regularly reviews the policies, systems, standards, and structure of director performance assessment and remuneration, and annually implements performance assessments in accordance with the Regulations Governing Board Performance Evaluation. Assessment results also serve as a basis for future election or nomination of directors and individual director remuneration.

Regarding the succession planning for the Board of Directors, the Company has cultivated senior managers to join the Board of Directors. The managers are well-

versed in the operations of the Board of Directors and the business of the units in the Group. Job rotations are implemented to deepen their industry experience.

(2) Important managerial staff successor planning

Regarding the succession of key managerial staff, successors must be competent in strategic planning and managerial integration, and shall transmit the Company's business philosophy and management experience. Each managerial position has specific duties and designated deputies. Through professional courses, assignment and promotion of important projects and tasks, experience and rotational appointment in various professional fields, expansion of the scope of management, and participation in the Company's business policy formulation, we develop future leaders who are competent in strategic planning, decision making, and team leadership and possess a caring personality, among whom we explore potential successor candidates to facilitate managerial staff succession planning.

The Remuneration Committee establishes and regularly review the policies, systems, standards, and structures for the performance assessment and remuneration of managerial officers, and regularly assess their progress of toward their performance targets to set the contents and amounts of individual compensation packages and evaluate their successor candidates.

(XII) The following items relating to the implementation status of the internal control system shall be disclosed

1. Statement on Internal Control:

ADATA Technology Co., Ltd.

Statement on Internal Control

Date: March 8, 2024

In 2023, the Company conducted an internal audit of its internal control system and hereby declares the following:

- I. The Company acknowledges and understands that the establishment, enforcement and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the Company has already established such a system, aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria introduced by the "Governing Regulations" cover the process of management control and consist of five major elements, each representing a different stage of internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.
- IV. The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2023 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.
- VI. This Statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was passed by the Board of Directors on March 8, 2024, with none of the 9 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

ADATA Technology Co., Ltd.



Chairperson of the Board: Chen, Li-Pai, Signature and Seal

President: Chen, Ling-Chuan, Signature and Seal



2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(XIII) Penalty imposed on the Company and its personnel, or punishment imposed by the Company on personnel in violation of internal control system regulations, major deficiencies and improvements in the past year and up to the date of report: None.

(XIV) Important resolutions adopted in shareholders meeting and board of directors' meeting in the past year and up to the date of report:

1. Major resolutions of the shareholders' meeting and implementation status

Date of meeting	Major resolutions	Resolution	Implementation status
2023.6.2	1. Ratification of the 2022 Business Report and Financial Report.	Passed as proposed after the chairperson consulted all attending shareholders	1. Acknowledged as resolved by the Annual Shareholders' Meeting.
	2. Acknowledgment of the 2022 dividend distribution proposal		2. Cash dividends in the amount of NT\$526,930,896 were distributed to shareholders according to the 2022 dividend distribution proposal. The shareholders' meeting authorized the chairperson to set the record date and dividends were distributed on August 2, 2023.
	3. Proposed amendment to the Articles of Incorporation		3. Changed information registered at the Ministry of Economic Affairs on July 19, 2023.
	4. Proposal to issue restricted stock awards in 2023.		4. Became effective on October 24, 2023 after obtaining approval from the FSC.

2. Important resolutions of the Board of Directors

Board meeting	Date of meeting	Major resolutions	Resolution
31th meeting of the 8th-term	2023.3.13	1. Passed the 2022 Consolidated Financial Statements. 2. Proposal to convene the 2023 annual shareholders' meeting. 3. The Company's Dividend Distribution Proposal for the 2nd half of 2022. 4. The Company resolved to issue restricted stock awards in 2023.	All proposals were passed as proposed by all directors in attendance without objection.
32nd meeting of the 8th-term	2023.4.18	1. Proposal to review the qualifications of directors. 2. Amendment to the "Corporate Governance Code of Conduct".	All proposals were passed as proposed by all directors in attendance without objection.
33rd meeting of the 8th-term	2023.5.11	1. Proposal to acknowledge the 2023 Q1 financial statements.	All proposals were passed as proposed by all

Board meeting	Date of meeting	Major resolutions	Resolution
		2.Proposal of the subscription for private equity fund 1686 Partners Fund SCSp.	directors in attendance without objection.
1st meeting of the 9th-term	2023.6.2	1.Proposal to elect the Company's chairperson. 2.Appointment of the Remuneration Committee members. 3.Appointment of the members and the convener of the Sustainable Development Committee.	All proposals were passed as proposed by all directors in attendance without objection.
2nd meeting of the 9th-term	2023.7.10	1.Proposal for the Company to invest in the Indian subsidiary ADATA Semiconductor Pvt. Ltd. 2.Proposal to retire treasury stock from the tenth capital reduction and to set the record date. 3.Proposal of the Company's plan to issue common shares for cash capital increase.	All proposals were passed as proposed by all directors in attendance without objection.
3rd meeting of the 9th-term	2023.8.8	1.Consolidated Financial Report for Q2 2023. 2.The Dividend Distribution Proposal for the 1st half of 2023.	All proposals were passed as proposed by all directors in attendance without objection.
5th meeting of the 9th-term	2023.11.8	1.Consolidated Financial Report for Q3 2023. 2.Proposal to set the record date for the first issuance of restricted stock awards in 2023.	All proposals were passed as proposed by all directors in attendance without objection.
6th meeting of the 9th-term	2023.12.26	1.Establishment of the "Risk Management Committee" and formulation of the "Risk Management Committee Charter".	All proposals were passed as proposed by all directors in attendance without objection.
8th meeting of the 9th-term	2024.3.8	1.Passed the 2023 Consolidated Financial Statements. 2.Proposal to convene the 2024 annual shareholders' meeting.	All proposals were passed as proposed by all directors in attendance without objection.

- (XV) Dissenting or qualified opinion of directors or supervisors against an important resolution passed by the Board of Directors that is on record or stated in a written statement in the past year and up to the date of report: N/A.
- (XVI) Resignation and dismissal of the Company's related personnel (including chairperson, president, chief accounting officer, chief financial officer, chief internal auditor, and R&D supervisor) in the past year and up to the date of report: N/A.
- (XVII) Certifications specified by the competent authority that were obtained by the Company's personnel related to financial information transparency:

CERTIFICATION	NUMBER OF PARTICIPANTS	
	INTERNAL AUDIT	FINANCE/ACCOUNTING
CPA	1	3
CIA	1	-
CCSA	1	-

IV. Information on fees to the certified public accountant (CPA)

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Audit period	Audit Fee	Non-audit Fee	Total	Remarks
Pricewaterhouse Coopers Taiwan	Huang, Shih-Chun	2023/1/1~2023/12/31	10,911	9,089	20,000	The service content of non-audit fees mainly includes: 1. Sustainability consulting services 2. Tax-related corporate master files and national reports 3. Internal control review of sports lottery issuance 4. Tax transfer pricing report
	Yu, Zhi-Fan					

- (I) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amount and percentage of decrease in audit fees and the causes shall be disclosed: Not applicable because the Company did not change the accounting firm in 2023.
- (II) If the audit fees decreased more than 10% from that of the prior year, the amount, percentage, and reasons for the decrease in audit fees shall be disclosed:

Not applicable because the Company's audit fees in 2023 (NT\$10,911 thousand) increase by 2.55% (NT\$271 thousand) compared to 2022 (NT\$10,640 thousand).

V. Information on change of accountants:

Starting from 2023, the Company's CPAs are changed from Huang, Shih-Chun and CPA Wu, Yu-Lung to Huang, Shih-Chun and Yu, Zhi-Fan in accordance with the internal rotation mechanism of the CPA firm.

(I) About former accountants

Date of change	December 29, 2022, passed by the Board of Directors		
Reason for change	In accordance with PwC Taiwan's internal rotation mechanism, the Company changed the accountants from Huang, Shih-Chun and Wu, Yu-Lung to Huang, Shih-Chun and Yu, Zhi-Fan.		
CPA appointment terminated or declined	The Parties		
	Situation		CPA
	Terminated by appointer		N/A
	Reappointment declined		N/A
Opinions in audit reports other than unqualified opinion in the two most recent years and reason	None		
Any dissenting opinion from the issuer	Yes		Accounting principles or practice
			Disclosure of financial statements
			Audit scope or procedure
			Other
	None		
Description			
Other matters to be disclosed (Matters to be published in accordance with Article 10, Paragraph 6, Subparagraphs 1-4 to 1-7 of the Regulations)	None		

(II) About succeeding CPA

CPA firm name:	PricewaterhouseCoopers Taiwan
Name of CPA	Huang, Shih-Chun and Yu, Zhi-Fan
Date of appointment	December 29, 2022, passed by the Board of Directors
Accounting treatment methods or accounting principles for specific transactions before appointment and matters for consultation on the possible issuance of financial reports and results	None
Written dissenting opinions of succeeding accountants from former accountants	None

(III) Former accountants' written reply to matters specified in Article 10, Paragraph 6, Subparagraph 1 and Subparagraph 2, Item 3 of the Regulations: N/A.

- VI. If the chairperson, president, and financial or accounting officer of the Company had worked for the CPA's accounting firm or its affiliate in the past year, disclose the name, title, and duration at the CPA's accounting firm or affiliate: N/A.

VII. Share transfer by directors, supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them in the past year and up to the date of report:

(I) Changes in shareholding

Title	Name	2023		2024 up to March 29	
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares
Chairperson	Chen, Li-Pai	525,192	0	0	0
Director	Chen, Ling-Chuan	645,517	0	0	0
Director	Bao Da Investment Co., Ltd.	214,081	0	0	0
Representative of institutional director	Chiang, Shu-Ching (Note 1)	0	0	0	0
Representative of institutional director	Lai, Jia-Hui (Note 1)	31,626	0	0	0
Independent director	Li, Tsung-Jung	0	0	0	0
Independent director	Hu, Yao-Jen	0	0	0	0
Independent director	Chen, Tzu-Chang	0	0	0	0
Independent director	Hu, Bai-Sha (Note 1)	0	0	0	0
Independent director	Hu, Gin-Ing (Note 1)	0	0	0	0
CEO	Chen, Li-Pai	525,192	0	0	0
President	Chen, Ling-Chuan	645,517	0	0	0
Vice President	Kang, Chien-Chung	38,629	0	0	0
Vice President	Wu, Tsung-Ting	55,697	0	0	0
Vice President	Lin, Tien-Chiung	(22,816)	0	0	0
Vice President	Cheng, Li-Hsiung	53,052	0	0	0
Vice President	Chiang, Chang-Hsien	(18,292)	0	0	0
Vice President	Hsieh, Tai-Kao (Note 2)	(Note 2)	0	N/A	
Vice President	Chang, Zhen-Hong (Note 3)	N/A		0	0
Financial officer	Chen, Yen-Shu	41,406	0	0	0
Head of accounting	Tseng, Shu-Ling	(10,000)	0	0	0

Note 1: Chiang, Shu-Ching, Lai, Jia-Hui, Hu, Bai-Sha, and Hu, Gin-Ing were newly elected on June 2, 2023.

Note 2: Hsieh, Tai-Kao was dismissed on July 31, 2023.

Note 3: Chang, Zhen-Hong was newly elected on January 17, 2024.

Note 4: The counterparts of share transfer above were not related parties.

Note 5: The Company established an Audit Committee to carry out related operations and perform the duties of supervisors in accordance with Article 14-5 of the Securities and Exchange Act, and therefore abolished the position of supervisor when the Audit Committee was established on June 7, 2017.

(II) Share transfer information: There was no share transfer to related parties.

(III) Share pledge information: There were no shares pledged to related parties.

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

March 29, 2024

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree).		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relationship	
Chen, Ling-Chuan	7,514,393	2.54	5,972,402	2.02	3,452,431	1.17	Chen, Li-Pai Bao Da Investment Yin Yi Investment	Spouse Major shareholder Major shareholder	
Taiwan Cooperative Bank	6,008,000	2.03	0	0	0	0	None	None	
Chen, Li-Pai	5,972,402	2.02	7,514,393	2.54	5,397,695	1.82	Chen, Ling-Chuan Bao Da Investment Yi Yin Investment	Spouse Person in charge Major shareholder	
Yi Yin Investment Co., Ltd.	5,397,695	1.82	0	0	0	0	Chen, Li-Pai	Major shareholder	
Legal Representative: Chen, Sheng-Ju	0	0.00	0	0	0	0	None	None	
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	3,599,958	1.22	0	0	0	0	None	None	
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	3,452,669	1.17	0	0	0	0	None	None	
Yin Yi Investment Co., Ltd.	3,452,431	1.17	0	0	0	0	Chen, Ling-Chuan	Major shareholder	
Legal Representative: Liao, Feng-li	0	0.00	0	0	0	0	None	None	
Taiwan Life Insurance Co., Ltd.	2,841,000	0.96	0	0	0	0	None	None	
HSBC entrusted with the custody of the Merrill Lynch investment account	2,727,856	0.92	0	0	0	0	None	None	
Bao Da Investment Co., Ltd.:	2,720,881	0.92	0	0	0	0	Chen, Li-Pai Chen, Ling-Chuan	Major shareholder Major shareholder	
Legal Representative: Chen, Li-Pai	5,972,402	2.02	7,514,393	2.54	5,397,695	1.82	Chen, Ling-Chuan Yi Yin Investment	Spouse Major shareholder	

IX. The shareholding of the Company, directors, supervisors, managers, and enterprises that are directly or indirectly controlled by the Company in the same re-invested company:

December 31, 2023 Unit: shares; %

Investee company (Note 1)	Investment by the Company		Investments from directors, supervisors, managerial officers and their directly or indirectly controlled enterprises		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Zhao-Xing Investment Co., Ltd.	130,000,000	100.00	-	-	130,000,000	100.00
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	200,000	100.00	-	-	200,000	100.00
ADATA TECHNOLOGY B.V.	300,020	100.00	-	-	300,020	100.00
ADATA HOLDINGS CO., LTD.	79,937,598	100.00	-	-	79,937,598	100.00
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	205,983,626	100.00	-	-	205,983,626	100.00
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	76,000,000	100.00	-	-	76,000,000	100.00
Jiou Long Agricultural Biotechnology Co., Ltd.	18,300,000	100.00	-	-	18,300,000	100.00
Long Tian Agricultural Biotechnology Co., Ltd.	77,600,000	100.00	-	-	77,600,000	100.00
ADATA Technology (Japan) Co., Ltd.	600	100.00	-	-	600	100.00
ALLIED TREASURE INC. LIMITED	178,776,000	100.00	-	-	178,776,000	100.00
ADATA TECHNOLOGY MEXICO SDRL DE CV	6,649,647 (Note 2)	100.00	-	-	6,649,647 (Note 2)	100.00
Jet Castle Limited	1,500,000	100.00	-	-	1,500,000	100.00
ADATA SEMICONDUCTOR PRIVATE LIMITED	107,600,000	99.63	-	-	107,600,000	99.63
AROBOT INNOVATION(SAMOA) HOLDINGS CO., LTD.	1,000,000	74.63	340,000	25.37	1,340,000	100.00
AWAYSPEED Technology Co., Ltd.	3,410,000	56.83	600,000	10.00	4,010,000	66.83
Liwanli Innovation Co., Ltd.	43,852,925	54.37	6,387,817	7.65	50,240,742	62.02
Weili Health Medical Technology Co., Ltd.	800,000	39.41	330,000	16.26	1,130,000	55.67
FULLSUNGLOBAL Development Co., Ltd.	33,000,000	82.50	-	-	33,000,000	82.50

Note 1: The Company's investments recognized under the equity method.

Note 2: ADATA TECHNOLOGY MEXICO SDRL DE CV has not issued any shares and is a wholly-owned subsidiary of ADATA.

Four. Capital overview

I. Capital and shareholding

(I) Sources of capital

1. Sources of capital

Unit: thousand shares; NT\$ thousand; March 31, 2024

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
April, 2001	10	5,000	50,000	5,000	50,000	Company established	None	-
June, 2001	10	20,000	200,000	20,000	200,000	Cash capital increase in the amount of 150,000	None	-
June, 2002	10	32,000	320,000	23,200	232,000	Capitalization of profits in the amount of 32,000	None	-
October 2002	10	32,000	320,000	25,300	253,000	Cash capital increase in the amount of 21,000	None	-
December 2002	10	32,000	320,000	26,070	260,700	Cash capital increase in the amount of 7,700	None	-
June, 2003	10	80,000	800,000	40,305	403,050	Capitalization of profits in the amount of 142,350	None	-
August, 2003	10	80,000	800,000	41,705	417,050	Cash capital increase in the amount of 14,000	None	-
October, 2003	10	80,000	800,000	45,605	456,050	Cash capital increase in the amount of 39,000	None	-
July, 2004	10	160,000	1,600,000	78,966	789,660	Capitalization of profits in the amount of 333,610	None	Tai-Cai-Zheng-Yi-Zi No. 0930126592 dated 2004.6.15
October, 2004	10	160,000	1,600,000	88,266	882,660	Cash capital increase in the amount of 93,000	None	Jin-Guan-Zheng-Yi-Zi No. 0930134919 dated 2004.8.13
December, 2004	10	160,000	1,600,000	88,568	885,680	Employee stock warrants 3,020	None	Jing-Shou-Shang-Zi No. 09401010730 dated January 24, 2005
March, 2005	10	160,000	1,600,000	89,347	893,470	Employee stock warrants 7,790	None	Jing-Shou-Shang-Zi No. 09401066300 dated April 28, 2005
July, 2005	10	160,000	1,600,000	108,200	1,081,997	Capitalization of profits in the amount of 188,527	None	Jin-Guan-Zheng-Yi-Zi No. 0940126323 dated 2005.6.30
January, 2006	10	160,000	1,600,000	108,214	1,082,137	Employee stock warrants 140	None	Jing-Shou-Shang-Zi No. 09501010550 dated January 17, 2006
February 2006	10	160,000	1,600,000	114,464	1,144,637	Cash capital increase of 62,500	None	Jin-Guan-Zheng-Yi-Zi No. 0940157587 dated 2005.12.23

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
April, 2006	10	160,000	1,600,000	115,376	1,153,762	Employee stock warrants 9,125	None	Jing-Shou-Shang-Zi No. 09501070760 dated April 19, 2006
July, 2006	10	160,000	1,600,000	115,781	1,157,812	Employee stock warrants 4,050	None	Jing-Shou-Shang-Zi No. 09501154930 dated July 20, 2006
September, 2006	10	400,000	4,000,000	137,987	1,379,873	Capitalization of profits in the amount of 207,881 Employee stock warrants 14,180	None	Jin-Guan-Zheng-Yi-Zi No. 0950128936 dated 2006.7.6
October, 2006	10	400,000	4,000,000	139,454	1,394,540	Conversion of convertible bonds 14,667	None	Jing-Shou-Shang-Zi No. 09501235020 dated October 18, 2006
December, 2006	10	400,000	4,000,000	145,342	1,453,421	Conversion of convertible bonds 58,471 Employee stock warrants 410	None	Jing-Shou-Shang-Zi No. 09601012390 dated January 18, 2007
April, 2007	10	400,000	4,000,000	150,451	1,504,508	Conversion of convertible bonds 48,072 Employee stock warrants 3,015	None	Jing-Shou-Shang-Zi No. 09601081790 dated April 18, 2007
July, 2007	10	400,000	4,000,000	150,551	1,505,508	Employee stock warrants 1,000	None	Jing-Shou-Shang-Zi No. 09601171200 dated July 25, 2007
August, 2007	10	400,000	4,000,000	159,551	1,595,508	Cash capital increase in the amount of 90,000	None	Jin-Guan-Zheng-Yi-Zi No. 0960012982 dated 2007.4.2
September, 2007	10	400,000	4,000,000	170,568	1,705,676	Capitalization of profits in the amount of 110,168	None	Jin-Guan-Zheng-Yi-Zi No. 0960034740 dated 2007.7.6
October, 2007	10	400,000	4,000,000	171,148	1,711,476	Employee stock warrants 5,800	None	Jing-Shou-Shang-Zi No. 09601254420 dated October 17, 2007
December, 2007	10	400,000	4,000,000	171,151	1,711,506	Employee stock warrants 30	None	Jing-Shou-Shang-Zi No. 09701020010 dated January 25, 2008
March 2008	10	400,000	4,000,000	172,258	1,722,581	Employee stock warrants 11,075	None	Jing-Shou-Shang-Zi No. 09701155050 dated June 30, 2008
June 2008	10	400,000	4,000,000	172,648	1,726,476	Employee stock warrants 3,895	None	Jing-Shou-Shang-Zi No. 09701177360 dated July 31, 2008

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
September 2008	10	400,000	4,000,000	176,906	1,769,063	Capitalization of profits in the amount of 42,587	None	Jin-Guan-Zheng-Yi-Zi No. 0970032590 dated July 1, 2008
October, 2008	10	400,000	4,000,000	173,002	1,730,018	Employee stock warrants 955 Retired treasury shares 40,000	None	Jing-Shou-Shang-Zi No. 09701265440 dated October 17, 2008
November, 2008	10	400,000	4,000,000	169,247	1,692,478	Retired treasury shares 37,540	None	Jing-Shou-Shang-Zi No. 09701297830 dated November 21, 2008
March, 2009	10	400,000	4,000,000	210,443	2,104,433	Conversion of convertible bonds 411,955	None	Jing-Shou-Shang-Zi No. 09801073230 dated April 15, 2009
June, 2009	10	400,000	4,000,000	212,342	2,123,423	Conversion of convertible bonds 18,985 Employee stock warrants 5	None	Jing-Shou-Shang-Zi No. 09801157760 dated 2009.07.15
September, 2009	10	400,000	4,000,000	224,342	2,243,423	Cash capital increase via private placement in the amount of 120,000	None	Jing-Shou-Shang-Zi No. 09801215150 dated 2009.09.18
October, 2009	10	400,000	4,000,000	224,739	2,247,395	Conversion of convertible bonds 3,852 Employee stock warrants 120	None	Jing-Shou-Shang-Zi No. 09801241190 dated October 21, 2009
December, 2009	10	400,000	4,000,000	225,907	2,259,070	Conversion of convertible bonds 6,905 Employee stock warrants 4,770	None	Jing-Shou-Shang-Zi No. 09901012740 dated 2010.01.18
April 2010	10	400,000	4,000,000	226,668	2,266,678	Conversion of convertible bonds 1,078 Employee stock warrants 6,530	None	Jing-Shou-Shang-Zi No. 09901077520 dated 2010.04.20
July 2010	10	400,000	4,000,000	228,120	2,281,203	Conversion of convertible bonds 13,590 Employee stock warrants 935	None	Jing-Shou-Shang-Zi No. 09901160700 dated 2010.07.19
September, 2010	10	400,000	4,000,000	228,150	2,281,503	Employee stock warrants 300	None	Jing-Shou-Shang-Zi No. 09901211890 dated 2010.09.16
January, 2011	10	400,000	4,000,000	228,173	2,281,733	Employee stock warrants 230	None	Jing-Shou-Shang-Zi No. 10001011550 dated 2011.01.19
March, 2011	10	400,000	4,000,000	228,212	2,282,123	Employee stock warrants 390	None	Jing-Shou-Shang-Zi No. 10001050560 dated 2011.03.15

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
June, 2011	10	400,000	4,000,000	228,283	2,282,839	Conversion of convertible bonds 458 Employee stock warrants 258	None	Jing-Shou-Shang-Zi No. 10001138820 dated 2011.07.05
September, 2011	10	400,000	4,000,000	225,784	2,257,839	Retired treasury shares 25,000	None	Jing-Shou-Shang-Zi No. 10001212330 dated 2011.09.13
July, 2013	10	400,000	4,000,000	225,882	2,258,824	Employee stock warrants 985	None	Jing-Shou-Shang-Zi No. 10201121050 dated 2013.07.01
September, 2013	10	400,000	4,000,000	241,342	2,413,421	Conversion of convertible bonds 145,024 Employee stock warrants 9,573	None	Jing-Shou-Shang-Zi No. 10201200410 dated September 27, 2013
December, 2013	10	400,000	4,000,000	243,028	2,430,282	Conversion of convertible bonds 1,426 Employee stock warrants 15,435	None	Jing-Shou-Shang-Zi No. 10201255230 dated December 19, 2013
April, 2014	10	400,000	4,000,000	243,158	2,431,582	Employee stock warrants 1,300	None	Jing-Shou-Shang-Zi No. 10301067730 dated 2014.04.17
July, 2014	10	400,000	4,000,000	243,262	2,432,617	Employee stock warrants 1,035	None	Jing-Shou-Shang-Zi No. 10301139540 dated 2014.07.15
September, 2014	10	400,000	4,000,000	244,973	2,449,734	Employee stock warrants 425 Capitalization of profits in the amount of 16,692	None	Jing-Shou-Shang-Zi No. 10301199700 dated 2014.09.30
November, 2014	10	400,000	4,000,000	229,973	2,299,734	Retired treasury shares 150,000	None	Jing-Shou-Shang-Zi No. 10301242610 dated November 27, 2014
January, 2018	10	400,000	4,000,000	224,172	2,241,724	Retired treasury shares 58,010	None	Jing-Shou-Shang-Zi No. 10701001020 dated January 3, 2018
July, 2018	10	400,000	4,000,000	224,125	2,241,254	Retired treasury shares 470	None	Jing-Shou-Shang-Zi No. 10701111060 dated August 29, 2018
November, 2018	10	400,000	4,000,000	219,725	2,197,254	Retired treasury shares 44,000	None	Jing-Shou-Shang-Zi No. 10701146710 dated November 23, 2018

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
January, 2020	10	400,000	4,000,000	223,794	2,237,943	Conversion of convertible bonds 40,689	None	Jing-Shou-Shang-Zi No. 10901013550 dated January 30, 2020
April, 2020	10	400,000	4,000,000	227,055	2,270,548	Conversion of convertible bonds 32,605	None	Jing-Shou-Shang-Zi No. 10901059530 dated April 23, 2020
May, 2020	10	400,000	4,000,000	227,518	2,275,184	Conversion of convertible bonds 4,636	None	Jing-Shou-Shang-Zi No. 10901071180 dated May 7, 2020
September, 2020	10	400,000	4,000,000	227,553	2,275,529	Conversion of convertible bonds 345	None	Jing-Shou-Shang-Zi No. 10901165420 dated September 14, 2020
December, 2020	10	400,000	4,000,000	226,015	2,260,149	Retired treasury shares 15,380	None	Jing-Shou-Shang-Zi No. 10901246400 dated December 31, 2020
January, 2021	10	400,000	4,000,000	228,515	2,285,149	Restricted stock awards of 25,000	None	Jing-Shou-Shang-Zi No. 11001012740 dated January 29, 2021
April, 2021	10	400,000	4,000,000	245,258	2,452,581	Conversion of convertible bonds 167,432	None	Jing-Shou-Shang-Zi No. 11001057890 dated April 7, 2021
May, 2021	10	400,000	4,000,000	253,792	2,537,916	Conversion of convertible bonds 85,335	None	Jing-Shou-Shang-Zi No. 11001085810 dated May 19, 2021
July, 2021	10	400,000	4,000,000	253,788	2,537,876	Recalled restricted stock awards of 40	None	Jing-Shou-Shang-Zi No. 11001114370 dated July 14, 2021
August, 2021	10	600,000	6,000,000	253,788	2,537,876	Amendment to fixed capital amount	None	Jing-Shou-Shang-Zi No. 11001126690 dated August 18, 2021
September, 2021	10	600,000	6,000,000	260,264	2,602,642	Conversion of convertible bonds 64,766	None	Jing-Shou-Shang-Zi No. 11001149470 dated September 16, 2021
November, 2021	10	600,000	6,000,000	261,103	2,611,033	Conversion of convertible bonds 8,431 Recalled restricted stock awards of 40	None	Jing-Shou-Shang-Zi No. 11001201890 dated November 22, 2021
January, 2022	10	600,000	6,000,000	261,482	2,614,824	Conversion of convertible bonds 3,939 Recalled restricted stock awards of 148	None	Jing-Shou-Shang-Zi No. 11101006810 dated January 19, 2022

Year/Month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other (Approval date and document number)
April, 2022	10	600,000	6,000,000	266,522	2,665,218	Conversion of convertible bonds 50,534 Recalled restricted stock awards of 140	None	Jing-Shou-Shang-Zi No. 11101051130 dated April 1, 2022
May, 2022	10	600,000	6,000,000	266,787	2,667,870	Conversion of convertible bonds 2,692 Recalled restricted stock awards of 40	None	Jing-Shou-Shang-Zi No. 11101085380 dated May 31, 2022
August, 2022	10	600,000	6,000,000	266,792	2,667,919	Conversion of convertible bonds 89 Recalled restricted stock awards of 40	None	Jing-Shou-Shang-Zi No. 11101165250 dated August 30, 2022
November, 2022	10	600,000	6,000,000	267,437	2,674,374	Conversion of convertible bonds 6,535 Recalled restricted stock awards of 80	None	Jing-Shou-Shang-Zi No. 11101226300 dated November 30, 2022
January, 2023	10	600,000	6,000,000	267,426	2,674,264	Recalled restricted stock awards of 110	None	Jing-Shou-Shang-Zi No. 11230007820 dated January 30, 2023
July, 2023	10	600,000	6,000,000	263,465	2,634,654	Retired treasury shares 39,610	None	Jing-Shou-Shang-Zi No. 11230140020 dated July 21, 2023
October, 2023	10	600,000	6,000,000	293,465	2,934,654	Cash capital increase in the amount of 300,000	None	Jing-Shou-Shang-Zi No. 11230189880 dated October 6, 2023
January, 2024	10	600,000	6,000,000	295,965	2,959,654	Restricted stock awards of 25,000	None	Jing-Shou-Shang-Zi No. 11230244130 dated January 4, 2024
March, 2024	10	600,000	6,000,000	295,959	2,959,594	Recalled restricted stock awards of 60	None	Jing-Shou-Shang-Zi No. 11330043410 dated March 28, 2024

Type of stock	Authorized capital (shares)			Remarks
	Shares issued and outstanding (Note)	Unissued shares	Total	
Ordinary shares	295,965,448	304,034,552	600,000,000	TPEX-listed shares

Note 1: The Company does not have any regulations regarding shelf registration.

Note 2: As of the publication date of the Annual Report, registration change for 6,000 canceled new restricted employee shares has been completed, but application for the cancellation has not been submitted to the Taiwan Stock Exchange. It is expected to be completed by April 2024.

(II) Shareholder structure

March 29, 2024

Shareholder structure Quantity	Government Agencies	Financial Institutions	Other institutional investors	Personal	Foreign institutions and foreigners	Total
Number of participants	3	8	385	80,628	202	81,226
Number of shares held	4,642,000	1,744,828	35,786,998	216,149,212	37,642,410	295,965,448
Shareholding ratio (%)	1.57%	0.59%	12.09%	73.03%	12.72%	100.00%

Note 1: The shares are traded on the Taipei Exchange and there are no shares held by Chinese capital.

Note 2: As of the publication date of the Annual Report, registration change for 6,000 canceled new restricted employee shares has been completed, but application for the cancellation has not been submitted to the Taiwan Stock Exchange. It is expected to be completed by April 2024.

(III) Shareholding distribution

March 29, 2024

Shareholding range	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 - 999	35,223	2,015,707	0.68%
1,000 - 5,000	38,444	70,989,989	23.99%
5,001 - 10,000	4,165	31,270,926	10.57%
10,001 - 15,000	1,289	15,803,004	5.34%
15,001 - 20,000	655	11,828,260	4.00%
20,001 - 30,000	565	14,020,158	4.74%
30,001 - 40,000	259	9,238,679	3.12%
40,001 - 50,000	150	6,971,866	2.36%
50,001 - 100,000	241	17,220,305	5.82%
100,001 - 200,000	137	18,829,554	6.36%
200,001 - 400,000	50	13,586,235	4.59%
400,001 - 600,000	12	6,034,256	2.04%
600,001 - 800,000	6	4,331,125	1.46%
800,001 - 1,000,000	4	3,581,671	1.21%
1,000,001 - 99,999,999,999	26	70,243,713	23.72%
Total	81,226	295,965,448	100.00%

Note 1: The Company only issued ordinary shares and has not issued any preferred shares.

Note 2: As of the publication date of the Annual Report, registration change for 6,000 canceled new restricted employee shares has been completed, but application for the cancellation has not been submitted to the Taiwan Stock Exchange. It is expected to be completed by April 2024.

(IV) List of major shareholders (top 10 by shareholding percentage)

March 29, 2024; Unit: shares

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Chen, Ling-Chuan	7,514,393	2.54%
Taiwan Cooperative Bank	6,008,000	2.03%
Chen, Li-Pai	5,972,402	2.02%
Yi Yin Investment Co., Ltd.	5,397,695	1.82%
PGIA International Composite Stock Price Index under the custody of JPMorgan Chase Bank	3,599,958	1.22%
Vanguard emerging markets investment account under the custody of JPMorgan Chase Bank	3,452,669	1.17%
Yin Yi Investment Co., Ltd.	3,452,431	1.17%
Taiwan Life Insurance Co., Ltd.	2,841,000	0.96%
HSBC entrusted with the custody of the Merrill Lynch investment account	2,727,856	0.92%
Bao Da Investment Co., Ltd.:	2,720,881	0.92%
Total	43,687,285	14.77%

(V) Stock price, net worth, earnings, dividends and related information for the past two years

Unit: thousand shares; NTD

Item \ Year			2022 (Distributed in 2023)	2023 (Distributed in 2024)	2024 up to March 31
Stock price	Highest		102.50	109.50	104.00
	Lowest		49.50	56.60	91.20
	Average		68.71	83.25	97.10
Net worth per share	Before distribution		44.70	49.28	(Note 5)
	After distribution		42.69	(Note 1)	
(Basic) Earnings per share	Weighted average shares		260,382	270,740	
	Earnings per share	Before retroactive adjustment	3.19	5.21	
		After retroactive adjustment	3.19	(Note 1)	
Dividends per share	Cash Dividend		2.00	(Note 1)	
	Stock dividends	Earnings	-	(Note 1)	
		Additional paid-in capital (APIC)	-	(Note 1)	
	Accumulated unpaid dividend		-	-	
Return on investment analysis	Price-earnings ratio (Note 2)		21.54	(Note 1)	
	Price-dividend ratio (Note 3)		34.36	(Note 1)	
	Cash dividend yield (Note 4)		2.91	(Note 1)	

Note 1: As of the publication date of the Annual Report, the Company's Board of Directors has yet to resolve on the 2023 earnings distribution proposal.

Note 2: Price-earnings ratio = Year's average per share closing price / earnings per share.

Note 3: Price-dividend ratio = Year's average per share closing price / cash dividend per share.

Note 4: Cash dividend yield = Cash dividend per share / year's average per share closing price.

Note 5: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, there are no quarterly data.

(VI) Dividend policy and implementation status

1. Dividend policy set forth in the Articles of Incorporation

If the Company's final accounts show a profit, the Company shall first pay taxes in accordance with the law and offset accumulated losses, and then allocate 10% of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall then allocate or reverse the special reserve in accordance with the law. The Board of Directors shall prepare a dividend distribution proposal for the amount remaining after distribution in the preceding paragraph plus undistributed earnings in previous years. Pursuant to Article 32-1 of the Articles of Incorporation, if it is distributed in cash, it shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash.

2. Implementation status of the dividend policy

The Company's earnings may be distributed in cash dividends, stock dividends, or partial cash dividends and partial stock dividends. The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. The Company currently mainly distributes cash dividends, and dividends in the past five years have accounted for 60% and above of the net income after tax. The Company does not expect to make any material changes to its future dividend policy, which will be implemented in accordance with the Articles of Incorporation.

3. Current year dividend distribution proposal to the board meeting

The Board of Directors has not approved the 2023 dividend distribution proposal as of the publication date of the Annual Report. Once the proposal is approved by the board meeting, the chairperson will be authorized to set the record date and handle other related matters.

(VII) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's operating performance and earnings per share: N/A.

(VIII) Employee bonuses and directors' remuneration

1. Percentages or ranges of employee bonuses and directors' remuneration under the Articles of Incorporation:

If the Company has a profit, it shall appropriate no less than 1% as employee bonuses in stocks or cash decided by the Board of Directors. Employees of the Company's subsidiaries who meet certain criteria may also be eligible for employee bonuses. The chairperson is authorized to determine the criteria for employee bonuses. The Board of Directors may allocate no more than 1% of the profit above as directors' remuneration.

Distribution of employee bonuses and directors' remuneration shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

A provision shall be made in advance to pay down any outstanding accumulated losses before employee bonuses and directors' remuneration may be allocated according to the percentage in the preceding paragraph.

2. Basis for estimating the amount of employee bonuses and directors' remuneration, basis for calculating the number of shares to be distributed as employee bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

(1) The 2023 employee bonuses of NT\$89,313,854 and directors' remuneration of NT\$17,864,557 estimated by the Company was the same as the amounts approved by the Board of Directors on March 8, 2024.

(2) If there is a discrepancy in the actual amount distributed and the estimates above, it will be handled as a change in accounting estimates and recognized by making adjustments in the year of distribution.

3. Distribution of remuneration passed by the Board of Directors:
- (1) The Board meeting on March 8, 2024 adopted the resolution to distribute NT\$89,313,854 in employee bonuses and NT\$17,864,557 in directors' remuneration, both to be distributed in cash. There was no discrepancy with the estimates in the year they were recognized as expenses.
 - (2) The amount of remuneration to employees to be paid in shares and its percentage out of the standalone or individual financial report for the current period in terms of the sum of net profit after tax and employee remuneration: All employee bonuses passed by the Board of Directors were distributed in cash. Hence the amount of employee bonuses distributed in the form of stock as a percentage of the after-tax profit in this year's standalone financial statements and total employee bonuses was both 0.
4. Actual distribution of employee bonuses and remuneration of directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies:
- The amount of employee bonuses and directors' remuneration distributed in 2022 was NT\$43,691,402 and NT\$8,738,280, respectively. Estimates were made based on the percentage specified in the Articles of Incorporation (2022 employee bonuses were estimated at 5% and directors and supervisors' remuneration was estimated at 1%). There was no discrepancy in the actual amount distributed and the amount approved by the Board of Directors.

(IX) Stock buyback

March 31, 2024

Stock buyback (already completed)	
Date of Board resolution	March 19, 2020
Batch of buyback	Tenth (batch)
Purpose of buyback	Transfer shares to employees
Duration of buyback	From March 20, 2020 to May 18, 2020
Price range of buyback	NT\$27.5 to NT\$2012.30
Type and number of shares bought back	5,461,000 ordinary shares
Amount of shares bought back	NT\$282,449,835
Shares bought back as a percentage of shares expected to be bought back (%)	91%
Number of shares retired and transferred	Transferred 1,500,000 shares to employees on July 28, 2021; canceled 3,961,000 shares on July 10, 2023
Cumulative number of the Company's shares held	0 shares
Cumulative number of the Company's shares held as a percentage of current outstanding shares (%)	0%

- II. Issuance of corporate bonds: N/A.
- III. Issuance of preferred shares: N/A.
- IV. Issuance of global depositary receipts (GDR): N/A.
- V. Exercise of employee stock option plan (ESOP): N/A.

VI. Issuance of restricted stock awards:

(I) Issuance of restricted stock awards

March 31, 2024

Type of restricted stock awards	First issuance of restricted stock awards in 2023
Date of approval by competent authorities and total number of shares	October 24, 2023/2,500,000 shares
Date of issue	January 26, 2024
Number of new shares from restricted stock awards	2,500,000 shares
New restricted employee shares to be issued	0 shares
Issue price	None
Shares issued through restricted stock awards as a percentage of current outstanding shares (Note 1)	0.84%
Vesting conditions of restricted stock awards	1. Employees who are still at the Company one year after the restricted stock awards are issued and reach their individual performance goals, while the Company reaches its business goals (net income (after tax) in 2023 increases 25% or above (inclusive) compared to 2022), will receive up to 50% shares. 2. Employees who are still at the Company two years after the restricted stock awards are issued and reach their individual performance goals, while the Company reaches its business goals (net income (after tax) in 2024 increases 25% or above (inclusive) compared to 2023), will receive up to 50% shares. 3. The actual percentage of shares obtainable each year must be calculated based on the attainment of individual performance goals and the Company's business goals, and agreed upon between the Company and individual employee. Results are calculated to shares, and any amount under one share will be rounded off. 4. The individual performance goal refers to the annual performance evaluation in the most recent year before the vesting period expires and work results reach the individual performance standard set by the Company. The Company's business goals are calculated using the consolidated financial statements audited by the accountants.
Restricted rights of restricted stock awards	1. Restricted stock awards may not be sold, pledged, transferred, given to others, or disposed of in any way by employees during the vesting period. 2. During the vesting period, restricted shares are not eligible for stock and cash dividends or subscription to cash capital increase. 3. Employees shall immediately put restricted stock awards into a trust after receiving the restricted stock awards, and may not request the trustee return the restricted stock awards for any reason or in any way.
Custody of restricted stock awards	Restricted stock awards that are issued will be placed in a trust until vesting conditions are met.
Handling restricted stock awards allocated or subscribed to by employees who fail to meet vesting conditions	The restricted stock awards may be taken back by the Company without compensation and retired.
Number of restricted shares taken back or bought back	16,000 shares
Number of shares with restrictions lifted	0 shares

Number of shares with restrictions not yet lifted	2,484,000 shares
Number of shares with restrictions not yet lifted as a percentage of current outstanding shares (%) (Note 1)	0.84%
Impact on shareholders equity	Dilution of the Company's future EPS is limited, and there is no material impact on shareholder equity.

Note 1: Calculated using the 295,959,448 registered shares approved by the Ministry of Economic Affairs on March 28, 2024.

(II) Names of managers who have received restricted share awards cumulatively and Top 10 employees in terms of the number of shares they acquired and the status of acquisition

March 31, 2024

	Title	Name	Shares obtained through restricted stock awards	Shares obtained through restricted stock awards as a percentage of current outstanding shares (Note 1)	Restrictions that were lifted				Restrictions not yet lifted			
					Number of unrestricted shares	Issue price	Issuance amount	Number of unrestricted shares as a percentage of current outstanding shares (Note 1)	Number of restricted shares	Issue price	Issuance amount	Number of restricted shares as a percentage of current outstanding shares (Note 1)
Manager	CEO	Chen, Li-Pai	896,000	0.30%	0	0	0	0	896,000	0	0	0.30%
	President	Chen, Ling-Chuan										
	Vice President	Lin, Tien-Chiung										
	Vice President	Wu, Tsung-Ting										
	Vice President	Cheng, Li-Hsiung										
	Vice President	Chiang, Chang-Hsien										
	Financial officer	Chen, Yen-Shu										
	Head of accounting	Tseng, Shu-Ling										
Employees	Senior Executive Assistant	Li, Tseng-Hua	512,000	0.17%	0	0	0	0	512,000	0	0	0.17%
	Senior Director	Li, Ying-Hao										
	Senior Executive Assistant	Chen, Mei-Yun										
	Senior Executive Assistant	Yeh, Yu-Ju										
	Senior Executive Assistant	Chen, Chen-Chun										
	Director	Chen, Chih-Wei										
	Senior Director	Liu, Yi-Jun										
	Senior Director	Yin, Shih-Hao										
	Director	Dai, Zi-Ran										
	Director	Chou, Zhi-Pu										

Note 1: Calculated using the 295,959,448 registered shares approved by the Ministry of Economic Affairs on March 28, 2024.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: N/A.

VIII. Financing plans and implementation:

- (I) Plan content: As of the quarter preceding the publish date of the Annual Report, the fund utilization plan of previous offerings or private placements of securities has not been completed, or the analysis of the fund utilization plan over the past three years that has been completed but the expected benefits have not been realized: N/A.

Plan items	Fund raising	Capital allocation plan	Implementation status
Cash capital increase in 2023	NT\$1.86 billion	Loan repayment	As of the third quarter of 2023, all the funds raised have been used to repay bank loans according to the plan items. The actual implementation progress is 100%.

- (II) Implementation status: N/A. According to the planned progress, as of the third quarter of 2023, all the funds raised have been used to repay bank loans according to the plan items. The actual implementation progress is 100%. There is no progress ahead or behind schedule.

Five. Business overview

I. Business activities

(I) Business scope

1. Major business activities: Manufacturing and sale of memory modules and flash memory products.

2. Revenue breakdown

Unit: NT\$ thousand

Products	2022 revenue	Revenue breakdown	2023 revenue	Revenue breakdown
DRAM products	16,405,667	46.97%	16,014,349	47.54%
Flash products and others	18,521,274	53.03%	17,670,433	52.46%
Total	34,926,941	100.00%	33,684,782	100.00%

Note: The amount for All Consolidated Entities.

3. Current products and services

Memory modules	1.Memory modules used by PCs, notebooks, servers, work stations, industrial computers, RGB/non-RGB overclocking, and games. 2.DRAM ICs with different speeds/capacities/specifications for DDR, DDR2, DDR3, DDR3L, DDR4, and DDR5 used in memory modules and various system products.
Consumer flash memory products	1. Various small flash memory cards. 2. USB flash drives. 3. Flash memory card adapter/card reader series.
External storage devices	External HDD, SSD, and SSD enclosures used by PCs, notebooks, and consoles.
Solid state drives	SATA3, PCIe 3.0, PCIe 4.0, PCIe 5.0, USB, and Type C interfaces; SSD required by corporate grade servers and various industrial controller applications.
Mobile device peripherals	Cables for power banks, fast chargers, and various smartphones, including the latest type C smartphone and tablet peripherals.
LED Lighting	1. Various indoor LED lights. 2. Various outdoor LED lights. 3. Planning of various commercial and factory office lighting projects. 4. Smart lighting, smart homes, etc., system planning and integration.
Permanent-magnet synchronous motor (PMSM)	1. Automotive and industrial motor and controller. 2. Vehicle power planning, system design, and integration. 3. Industrial moving and transportation equipment.
In-vehicle products	1. In-vehicle multimedia system development. 2. Development of AIoT devices and systems. 3. Development of automotive electronics peripherals.
XPG eSports	1. Major parts and components of eSports PC, overclocking DRAM, high speed PCIe SSD, chassis, power supply, and CPU water cooling device. 2. Other eSports peripherals, keyboard, mouse, and headset. 3. Esports notebook.
Industrial grade memory	Various memory modules, flash memory cards, and SSD for industrial grade computers; storage devices required by the network communication, gaming, industrial automation, transportation, medical, surveillance, energy, and aerospace industries.

4. New products under development

- (1)Memory module products: XPG's overclocked DDR5 with large-area RGB models, DDR5 JEDEC 6400MT/s in 12GB/24GB/32GB/48GB CUDIMM/CSODIMM, XPG DDR5 8400MT/s and above in 16GB/24GB/48GB configurations, and overclocked DDR5 6400MT/s 16GB/24GB/32GB/48GB for servers. Developed DDR5 CXL 5600MT/s 96GB/128GB memory modules for AI server use. DDR5 CAMM2/LPCAMM2 memory module for high-end notebook/gaming notebook applications. Continually provides memory modules wide temperature, anti-sulfuration, conformal coating properties.
- (2) Flash memory products: High speed high capacity memory cards, new A1, A2 memory cards, new UHS-II memory cards, new SD express memory cards, and high speed USB3.2 flash drive.
- (3) External storage devices: Light weight, high capacity, military grade water and shock resistance external HDD, and USB 3.2, USB 4, and Type C external SSD.
- (4)Solid state drives (SSD): SATA3, PCIe 3.0, PCIe 4.0 & PCIe 5.0, mSATA, mSATA mini, M.2 NGFF, SATA DOM and 2.5" internal SSD that use SLC, MLC, eMLC, TLC and 3D MLC/3D TLC/3D QLC flash memory.
- (5)Mobile device peripherals: New military grade ultra durable power bank with LED, Type C cables, and fast charger mobile device peripherals for smartphones and tablets.
- (6)LED: Develop products with more competitive quality and specifications, lights that comply with the latest energy saving mark & smart LED, and LED suitable for commercial lighting and home lighting. Integrate smart lighting systems and smart home systems to expand into the system integration and development market.
- (7)Permanent-magnet synchronous motor (PMSM): Two wheel, three wheel, and low speed four wheel high-power motors, low-RPM high-torque direct drive motor for industrial machinery and agricultural equipment, controllers for high power motors for vehicles and agricultural purposes, and smart automatic guided vehicle (AGV).
- (8)In-vehicle products: Mainly provided for the development of in-vehicle multimedia systems, which also involves system application and development for AIoT related devices, as well as the development of other automotive electronics peripherals.
- (9)XPG eSports: As the eSports industry flourished, we developed a wide range of eSports related product lines from applications in PCs to peripherals and systems.
- (10) Industrial grade memory: ADATA provides customers with highly reliable and durable industrial/corporate grade memory modules and NAND flash products, Products cover eight vertical application markets, including IoT, servers, network communications, transportation, edge computing, gaming, medical, and in-vehicle devices. Wide temperature SSD is mainly used for storage outdoors and in harsh environments.

(II) Industry overview

Affected by multiple factors such as inflation, declining consumer demand, and reduced corporate capital expenditure, the PC, smartphone, and traditional server markets faced pressure in 2023 due to poor demand and inventory clearance. According to research firm Gartner, the global PC shipment volume in 2023 was approximately 242 million units, showing a year-on-year decrease of 14.8%. This not only fell below the 284 million units in 2022 but also marked the second consecutive year of double-digit decline. IDC data showed that global smartphone market shipments decreased by 3.2% in 2023 to 1.17 billion units. A DIGITIMES Research report pointed out that global server shipments in 2023 was approximately 14.8 million units, showing a decrease of 18% from 2022.

As demand across various applications declines, memory upstream manufacturers are also facing pressure from high inventory and losses. Starting from the fourth quarter of 2022,

they have successively announced capacity cuts and reduced capital expenditure. With the benefits of upstream production cuts becoming evident, the memory market finally bottomed out in the second quarter of 2023. Spot prices for DRAM and NAND Flash began to rebound in late August, officially ending a downturn that lasted for five consecutive quarters in the industry. According to DRAmEXchange, global DRAM revenue decreased by 35% in 2023, from US\$80 billion in 2022 to US\$51.8 billion. The NAND Flash market size also decreased from US\$60 billion in 2022 to US\$38 billion, showing an annual decrease of 36.7%.

1. Overview of the DRAM industry

To save the memory market and address financial losses, manufacturers like Samsung, SK Hynix, and Micron reduced wafer production and slowed down capital expenditures in 2023. This led to a 4.4% decrease in global DRAM bit production compared to 2022, and overall industry capital spending declined by 33% from the previous year. In addition, the sluggish consumer demand in 2023 led to a significant decline in DRAM usage for smartphones and personal computers, resulting in server applications accounting for a larger share of overall DRAM usage for the first time. The share of server applications increased from 34.9% to 37.1%, while smartphone applications decreased from 38.5% to 36.8%, and PC applications accounted for 12.5%.

In the face of low demand across various applications, the emergence of generative AI has become a beacon of hope for the memory industry. High Bandwidth Memory (HBM) used in generative AI servers not only has higher average selling prices and profit margins compared to other DRAM products, but with the mass production of AI chips, the market growth potential is expected to double, making it the next battleground for memory manufacturers. According to Gartner survey data, global HBM revenue was approximately US\$2.005 billion in 2023. It is expected to grow to US\$4.976 billion in 2025 at a growth rate of 148.2%.

2. Overview of the flash memory industry

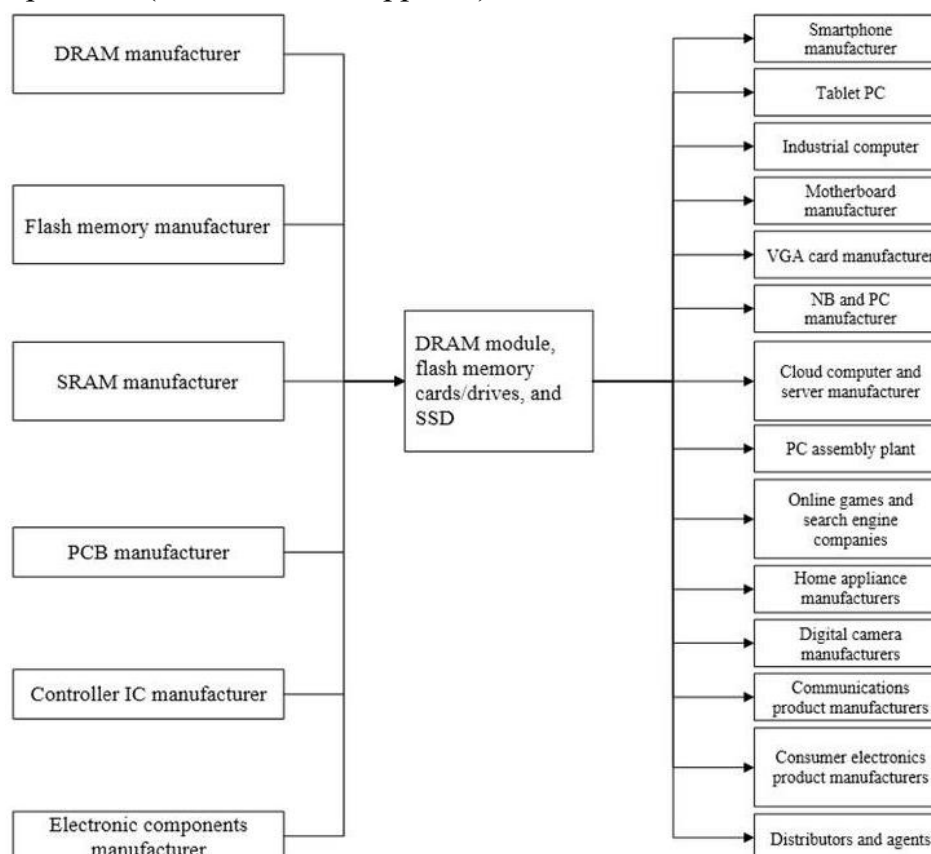
Similarly impacted by weak global market demand, NAND Flash prices have plummeted significantly over the past two years, leading to even more severe losses for upstream manufacturers compared to DRAM. Therefore, the reduction in production capacity for NAND Flash in 2023 was greater than that for DRAM. According to DRAmEXchange, from January 2022 to the lowest price point in the second quarter of 2023, NAND Flash contract prices fell by more than 50%. In 2023, the global NAND Flash output bit volume also decreased by 2.8%, which is significantly lower than the annual growth of 30% to 40% in the past.

As there are no emerging products, in 2023, NAND Flash's primary applications are still smartphones, consumer SSDs, and enterprise SSDs, collectively consuming over 75% of global NAND Flash production. While smartphone and PC shipments declined over the past year, the increasing demand for storage, coupled with falling NAND Flash prices and cheaper product unit prices, led to a continued growth in the average capacity of smartphones and consumer SSDs in 2023. On the other hand, enterprise SSDs were affected by traditional server inventory adjustments and tightened corporate spending, resulting in a 14% decline in bit consumption compared to 2022. This marks the first time in the development of enterprise SSDs that bit consumption has decreased rather than increased. Looking ahead to 2024, as AI applications gradually expand, shipments of smartphones and PCs are expected to return to normal, and demand for traditional servers recovers, the market predicts that various NAND Flash applications will grow steadily this year.

3. Relationships with suppliers in the industry's supply chain

The Company is mainly involved in two memory-related fields, DRAM modules and NAND Flash application products. The Company's relationships with suppliers in the industry's supply chain is shown in the figure below:

Upstream (raw materials suppliers), midstream, and downstream



- ① Upstream: Memory module manufacturers are at the midstream of the supply chain. The upstream consists of DRAM module and NAND Flash application product raw materials manufacturers, and raw materials include DRAM, NAND Flash, printed circuit board (PCB), passive components, and controller IC.
- ① Midstream: The midstream of the memory module industry consists of DRAM module and NAND Flash application products manufacturers which mainly process DRAM, NAND Flash, PCBs, passive components, and controller ICs into DRAM modules and NAND Flash application product electronic device products, and then sell the DRAM modules to downstream application companies.
- ① Downstream: The downstream of the memory module industry consists of electronic products manufacturers, including smartphone manufacturers, tablet PC manufacturers, industrial computer manufacturers, motherboard manufacturers, graphics card manufacturers, notebook manufacturers, cloud computing and server manufacturers, online game and search engine companies, home appliance manufacturers, digital products manufacturers, telecommunications companies, consumer electronics manufacturers, gaming console manufacturers, and distributors and agents.

4. Product trends

Upstream memory manufacturers tightened capital expenditures in 2023, with maintaining profits as their priority. Therefore, even if they continue to promote process shrinkage, the acceleration will be relatively limited. In addition, the rise of generative AI has led to a significant increase in demand for HBM and DDR5 in data centers, spurring upstream manufacturers to compete vigorously in the development and production scheduling of HBM products and accelerating the shift of more capacity to producing HBM and DDR5.

HBM is made of stacked DRAM and then through 3D advanced packaging, which can increase bandwidth and storage space, transmitting more data than traditional DRAM. Currently, the three major DRAM manufacturers have successively announced or rumored that they will mass produce HBM3E products in the first half of 2024. Micron has announced ahead of time that its 8-stack 24GB HBM3E will be used in the NVIDIA H200 GPU, with shipments expected in the second quarter of 2024. Additionally, they plan to release samples of a 12-stack 36GB HBM3E in March 2024. Samsung has announced a HBM3E 12H with the industry's "highest capacity to date", indicating that the new chip offers over 50% improvement in both performance and capacity compared to HBM3 8H. They have already begun providing samples of HBM3E 12H to customers and plan to start mass production in the first half of 2024. SK Hynix, which maintains a leading position in the HBM field, has yet to announce mass production although it has been reported that its 8-layer HBM3E will enter the initial mass production stage in January 2024. Samples of the 12-layer HBM3E have been sent and it is planned to be officially mass-produced in the first half of 2024.

In terms of traditional DRAM, with Intel and AMD fully supporting DDR5 on their new platforms and manufacturers gradually increasing DDR5 production capacity, it is expected that the DDR5 penetration rate will rapidly increase in 2024. Market expectations are that starting from the second half of 2024, DDR5 is expected to cross over with DDR4, with the market penetration rate exceeding 50%. In terms of process miniaturization, over 65% of global DRAM is using 1Z nm and 1αnm processes currently. However, due to financial considerations, the progress in mass production of the 1β process using EUV equipment and the advancement of the 1γ process speed have been relatively slow in 2023. However, with the memory industry moving towards recovery and the widespread proliferation of AI applications, it is expected that manufacturers will gradually resume process advancements and investment pace. In addition to increasing the proportion of 1β processes, the industry will also be more proactive in adopting EUV equipment.

In terms of NAND Flash, major manufacturers have developed 3D NAND with more than 200 layers as early as 2022. However, due to the downward trend of the industry, the progress of large-scale mass production of products with more than 200 layers in 2023 is relatively lagging. According to DRAmEXchange, more than 80% of products in the fourth quarter of 2023 were 100-layer 3D NAND, and products with more than 200 layers only accounted for a single-digit percentage. Although NAND Flash manufacturers will continue to prioritize profitability in 2024, they are exercising restraint in increasing wafer production and bit output. However, to enhance competitiveness in terms of cost and market share within the industry, they will gradually increase the proportion of production of products with more than 200 layers.

5. Product Competition

DRAM and NAND Flash prices are affected by changes in supply and demand; the upstream of the DRAM industry is even entering an oligopoly by the three manufacturers.

Keeping track of industry dynamics and maintaining a steady source of material supply and distribution channels through business cycles becomes a major factor for the profitable operation of memory module manufacturers. ADATA has long adopted stable and diversified supplier strategies, and continues to expand its online and offline channels around the world. We are thus ahead in the industry in keeping track of the memory market status and gaining supports from manufacturers and distribution channels to maintain competitive and profitability advantages.

In terms of product development, the Company continues to launch competitive memory products in response to market developments. Combined with the latest 232-Layer 3D NAND from upstream manufacturers, ADATA has taken the lead in creating the LEGEND 970 PCIe Gen5 SSD. In addition to offering up to 2000GB of ultra-large capacity and top-tier sequential read/write speeds of 10,000/10,000MB per second, it features a pioneering active patent-pending air-cooled system design that integrates a heat sink with a fan and extended die technology. Compared to heat sinks without fans, this system effectively reduces the controller's temperature by over 10%, ensuring the SSD's stability and high-efficiency operation over extended periods.

The industrial solutions introduce the industrial-grade SATA 31C series SSDs with Power Loss Protection technology. The series includes the two products of 2.5-inch ISSS31CP and the mSATA IMSS31CP, offering customers more reliable data transmission performance. To meet the rigorous operating environments of industrial equipment, the Company conducts rigorous functional and performance testing on its products using a self-developed SSD validation testing mechanism and professional equipment, ensuring that each SSD's storage chips, PCB boards, and components can withstand long-term wide temperature ranges, provide shock resistance, and impact resistance. In addition, the normal temperature (0°C to 70°C) verification of the S31C series industrial-grade SSD has also been extended to -20°C to 75°C.

ADATA's e-sports brand XPG aims to provide gamers and e-sports enthusiasts with the most cost-effective series of products. The latest XPG XENIA 15G gaming NB is equipped with a powerful memory expansion design. It is equipped with high-speed ADATA LEGEND 850 SSD 1TB and is designed with 3 SSD slots. It can be expanded to up to 24TB with the ADATA S70 8TB SSD. The standard DRAM configuration is 16GB DDR5, which can be expanded to up to 96 GB.

(III) Overview of Technology and R&D

1. R&D expenses in the past year

Unit: NT\$ thousand; %

Item	Year	2023	2024 Q1
R&D expenses		599,941	-
Operating revenue		33,684,782	-
R&D expenditure as a percentage of operating revenue		1.78%	-

Note: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, there are no quarterly data.

The Company has exerted even greater effort in product R&D to enhance its core competitiveness, and has recruited senior executives to enhance the capabilities of the R&D team. The related research and development expenditure will be recognized as the Company diversifies its product line and develops new generation products.

2. Successfully developed technologies and products

Year	R&D Project Results
2023	DRAM memory modules
	■ XPG LANCER RGB: Raising the standard for gaming memory. It provides higher bandwidth, allocates more bandwidth to each CPU core, offers frequencies up to 8000MT/s, and provides multiple capacity options. More importantly, it is equipped with PMIC (Power Management Integrated Circuit) and ECC (Error Correction Code) to enhance performance and stability.
	■ XPG LANCER: Provides higher bandwidth and allocates more bandwidth to each CPU core, with frequencies up to 7200MT/s. In addition, it is equipped with PMIC (Power Management Integrated Circuit) and ECC (Error Correction Code) to enhance performance and stability.
	■ XPG LANCER BLADE RGB: The thin heat sink design eliminates the need for high-profile heat sink assembly, making the product suitable for installation in small cases. The heat sink is designed with simple geometric lines, giving it a versatile look which can be paired with a variety of case types. It underwent a rigorous component selection and screening process, and passed reliability and compatibility testing. It is durable and offers the highest quality. Users can use RGB software provided by major motherboard manufacturers or use the XPG PRIME lighting effect software to freely control RGB effects and link all supported products to create customized light shows.
	■ XPG LANCER BLADE: The thin heat sink design eliminates the need for high-profile heat sink assembly, making the product suitable for installation in small cases. This heat sink is designed with simple geometric lines and can be matched with various chassis types. It underwent a rigorous parts selection and screening process, and passed reliability and compatibility testing. It is durable and offers the highest quality. LANCER BLADE supports AMD EXPO and is compatible with the latest AMD platform. It also supports Intel XMP 3.0 overclocking, providing gamers with excellent overclocking performance.
	■ XPG LANCER RGB ROG CERTIFIED: XPG and ROG team up to deliver the ultimate DDR5 for users. LANCER ROG CERTIFIED DDR5 memory is specially tuned, with a frequency of 6600MT/s. When the "ROG Certified" mode is enabled, it can be overclocked to 6800MT/s when used with ROG motherboards, achieving unparalleled gaming performance. In addition, it is equipped with PMIC (Power Management Integrated Circuit) and on-die ECC (Error Correction Code) to enhance performance and stability.
	■ IA DDR5 R-DIMM: It reaches speeds of up to 5600 MT/s but only operates at 1.1V, making it ideal for server, data center, edge computing, networking, surveillance, IoT and 5G related applications. In addition, it is equipped with a power management IC (PMIC) to enhance power supply stability. ADATA industrial-grade DDR5 memory provides high capacities up to 32GB to meet the needs of big data analysis, deep learning, and high-speed computing (HPC). Through the on-die ECC (error correcting code), the DDR5 memory modules can also self-correct errors, effectively improving transmission reliability.
	■ IA DDR5 ECC U-DIMM: Using high-quality original manufacturer DRAM IC, the speed can reach 5600 MT/s, but it only runs at 1.1V, providing excellent performance and power efficiency. In addition, the module itself is equipped with a power management IC (PMIC) to enhance power supply stability. ADATA's industrial-grade DDR5 ECC U-DIMM memory modules have capacities up to 32GB and are suitable for servers, data centers, edge computing, networking, IoT, 5G, and monitoring. With on-die ECC and side-band ECC (error correcting code) technology, DDR5 memory modules can also self-correct errors, effectively improving transmission reliability.
	■ IA DDR5 ECC SO-DIMM: Using high-quality original manufacturer DRAM IC, the speed can reach 5600 MT/s, but it only runs at 1.1V, providing excellent performance and power efficiency. In addition, the module itself is equipped with a power management IC (PMIC) to enhance power supply stability. ADATA industrial-grade DDR5 ECC SO-DIMM memory modules with capacities up to 32GB are suitable for servers, data centers, edge computing, networking, IoT, 5G, and monitoring. With on-die ECC and side-band ECC (error correcting code) technology, DDR5 memory modules can also self-correct errors, effectively improving transmission reliability.
	■ IA DDR5 U-DIMM: DDR5 wide-temperature U-DIMM memory can operate stably in extreme environments from -40°C to 85°C, while providing excellent performance up to 4800 MT/s. It is suitable for automation, transportation, network communications, monitoring, and other applications. In addition, it only requires an operating voltage of 1.1V, which is more energy saving. All ADATA industrial-grade memory comply with strict JEDEC and RoHS standards to ensure their high compatibility, stability, and environmental friendliness.

Year	R&D Project Results
2023	■ IA DDR5 SO-DIMM: DDR5 wide-temperature SO-DIMM memory can operate stably in extreme environments from -40°C to 85°C, while providing excellent performance up to 4800 MT/s. It is suitable for automation, transportation, network communications, monitoring, and other applications. In addition, it only requires an operating voltage of 1.1V, which is more energy saving. All ADATA industrial-grade memory comply with strict JEDEC and RoHS standards to ensure their high compatibility, stability, and environmental friendliness.
	■ ADATA DDR5 U-DIMM: The operating voltage of DDR5 memory modules is only 1.1V, and a Power Management IC (PMIC) is added to provide a more stable power supply for high-performance DDR5 memory. In this instance, new capacity options of 24GB and 48GB are provided, while power consumption is reduced and the bandwidth of each CPU core is increased.
	■ ADATA DDR4 Memory Module is mass-produced in ADATA's India plant.
	■ XPG OC for INTEL/AMD AVL and QVL verification.
	■ Completed the first LPCAMM2 Memory Module ES and showcased it at Computex.
	■ Completed the first CKD Memory Module ES and showcased it at Computex.
	■ Completed the first CXL2.0 Memory Module ES and showcased it at Computex.
	Solid state drives (SSD)
	■ LEGEND 800: Adopts PCIe Gen4x4 transmission interface and complies with the NVMe 1.4 standard. The M.2 2280 specification supports Intel and AMD's next-generation PCs and notebooks, providing high cost-performance value for users exploring PCIe 4.0. It is fully backward compatible with current PCIe 3.0 platforms, making it ideal for 3D graphics, video production, and business software applications. It supports capacities of 500GB, 1000GB, and 2000GB.
	■ LEGEND 850 LITE: Adopts PCIe Gen4x4 transmission interface and complies with the NVMe 1.4 standard. M.2 2280 specification that supports PCs and notebooks on Intel and AMD next-generation platforms, compatible with the PS5 game console, extensible PS5 storage, thus giving a smooth gaming experience. Delivers sequential read/write speeds of 5,000/4,200MB per second, 3 times faster than PCIe Gen3 SSD and 9 times faster than SATA SSD; fully backward compatible with current PCIe 3.0 platforms; suitable for 3D graphics, filmmaking and other advanced-level productions, seizing every creative moment; supported capacity: 1000GB/2000GB.
	■ LEGEND 970: Uses the PCIe Gen5x4 transmission interface and complies with NVMe 2.0 standards; sequential read/write speed up to 10,000/10,000 MB per second; It also adopts active fan cooling to allow the SSD to continue to operate efficiently. The PCIe Gen5 SSD with higher transmission performance can shorten the opening and loading time of programs, allowing gamers to have a more agile and fast user experience. The specification is compatible with Intel and AMD next-generation platforms; supported capacity: 1000GB/2000GB.
	■ IM2P41B8: A highly durable SSD developed to meet SI customer demand for Boot Drive massive data storage and long-time use applications; adopts PCIe Gen4x4 high-speed 8-channel specification; delivers a sequential read/write speed of 6,500/3,000MB per second, and approximates 1 DWPD (Drive Writes Per Day).
	■ IM2P41B8: Industrial-grade high-performance/high-capacity PCIe Gen4x4 M.2 2280 SSD compatible with DRAM Cache with 112-layer 3D TLC flash; delivers sequential read/write speeds of up to 7,200/6,500 MB per second; provides faster, durable and safe solutions to 5G network communication, servers, data centers, monitoring, IoT, and other high-density applications; supported capacity: 4TB.
	■ IM2P42B8: Industrial-grade basic-level PCIe Gen4x4 M.2 2280 SSD; adopts 176-layer 3D TLC flash; delivers sequential read/write speeds of up to 5,100/4,700 MB per second; ADATA-developed firmware design; provides faster, durable and economic solutions to 5G network communication, servers, data centers, monitoring, IoT, and other related applications; supported capacity: 256GB/512GB/1TB/2TB.
	■ ISSS31AP: SATA 2.5" corporate-grade server SSD, with high capacity (up to 8TB), high performance, high reliability, and high durability (DWPD = 1) and 112-layer 3D TLC flash. SSD also supports SRAM and DRAM ECC to provide end-to-end data path protection to ensure data integrity, giving industry-best QoS performance.

Year	R&D Project Results
2023	■ A+ Duplicator: Develops backup and restore software, which mainly supports: 1. Whole drive backup: Using this software, users can completely copy the original desktop/notebook system to the ADATA SSD they purchase and then replace the SSD. 2. Image backup and restoration: users can back up the data in ADATA SSD as image files. When the system is damaged, the data can be restored in a new ADATA SSD using the image files. Provides software value-added services for ADATA SSD users.
	■ IHSS316: The SATA Half-Slim solid-state drive complies with the JEDEC MO-297 standard and uses a SATA III 6Gb/s high-speed transmission interface. Its slim and lightweight design saves space with a half-height form factor. It features independently developed firmware and utilizes 112-layer 3D TLC flash technology. It offers two firmware modes, TLC and A+SLC, to meet customer application requirements, ensuring high performance and reliability. It is suitable for specification-demanding industrial control systems, medical equipment, mobile devices, and POS machines.
	■ SSD Migration Tool: ADATA SSD Migration provides a variety of functions that allow users to copy or backup SSD data. It can copy the current system disk image to the new ADATA SSD without missing anything. At the same time, it supports backing up the current system into image files and saving these image files to the specified location. If the current system is damaged, users can use the backup image file to restore the system to a new SSD.
	■ SSD TOOLBOX: ADATA SSD Toolbox provides user-friendly services to help users easily grasp SSD information and perform quick system settings, so that SSDs can achieve both stable performance and service life. Main function: Hard drive information, diagnostic scans, utility programs, system optimization, system information, and performance testing.
	■ ISSS31CP: SATA 2.5" PLP industrial-grade SSD, with the high capacity (up to 4TB), high performance, high reliability, and high durability (DWPD = 1) and 112-layer 3D highly erasable eTLC flash. Supports SRAM and DRAM ECC to provide end-to-end data path protection, ensuring data integrity and providing higher speed, durability and security solutions for 5G network communications, surveillance, IoT, rail transportation, etc.
	■ IMSS31CP mSATA industrial-grade SSD, compliant with JEDEC MO-300A specifications, utilizes the SATA III 6Gb/s high-speed transfer interface, featuring high capacity, high performance, and high reliability. It adopts 112-layer 3D TLC flash, with a capacity of up to 4TB. Supports SRAM and DRAM ECC to provide end-to-end data path protection, ensuring data integrity and providing higher speed, durability and security solutions for 5G network communications, surveillance, IoT, rail transportation, etc.
	External SSD
	■ SE920: Supports next-generation USB 4.0 Gen 3x2; 40GB/s high-speed transmission, which is twice as fast as the 3.2 Gen 2x2, and 8 times faster than the general USB 3.2 Gen 1x1.
	■ SD810: Supports USB 3.2 Gen2 x2 high-speed transmission specification, with read and write speeds up to 2000MB/s, which is about 20 times faster than ordinary external hard drives (approximately 100MB/s), meeting the needs of video creators or expert photographers for high-speed access requirements. Users can edit and access large files directly in the SD810 to experience high-speed transmission and a smooth and uninterrupted experience. It passed the strict IP68 waterproof and dustproof standard test. It can completely prevent dust intrusion and can be immersed in water more than 1 meter deep for up to 60 minutes.
	■ SC610: Equipped with a USB 3.2 Gen2 transmission interface, the transmission bandwidth is up to 10Gb per second, and the transmission of 10GB 4K high-definition video can be completed in about 20 seconds. It is also downward compatible with USB 2.0 devices. The capless design also eliminates the need for transmission cables, making it lightweight to carry and easy to store.
	■ SD620: With a transfer speed of up to 520MB/s, it only takes about 20 seconds to transfer 10GB 4K high-definition videos. Back up important data in seconds, don't waste any second of your life! It has passed the strict MIL-STD-810G 516.6 drop test, ensuring that the camera is safe even if it is dropped from 1.22 meters.
	USB flash drives (UFD)
	■ UC300: First Type C interface UFD; can be inserted on both sides into digital devices and widely connected with PCs, notebooks, mobile phones, tablets, and various other devices that support Type C interface; The cap-less forward design means never being afraid of losing the cap. The hook on the body can be attached to a keychain or hung from a backpack.
	■ UC310: Sleek and modern exterior, simplistic and streamline design that is pleasing and stylish; aluminum alloy with a mirror finish, accentuating the high-tech durability of the material. Single-

Year	R&D Project Results
	piece capless design so you never have to worry about losing the cap, plug-and-play, and an instant display of fast fashion trendiness.
2023	■ UE720: Type-A USB flash drive; adopts USB 3.2 Gen2 standards; high-speed, light, portable; a simplistic and modern exterior, along with a strap hole, making it easy to carry in any scenarios. Reaches read/write speed at 500/450 MB/s; suitable for large multimedia files, office applications, and any environment requiring high speed access of files; suitable for transmitting and storing high-definition photos, audios, and 4K/8K videos. The driver is also suitable for various equipment and provides excellent performance and a large capacity of up to 2TB, thus offering you a wide range of capacity choices that may suit your needs.
	■ UR350: Metal nickel color texture, COB process for waterproofing and dustproofing, one-piece body molding, ultra-lightweight mobile storage of 3.5 grams, USB 3.2 Gen1 (USB 5Gbps) transmission interface, and capless design to avoid cap loss.
	■ UC310 ECO: Storage device made with recycled materials, using 35% post-consumer recycled plastic, FSCTM certified packaging, promoting sustainable operations, equipped with USB 3.2 Gen1 (USB 5Gbps) transmission speed, featuring a cap design that cannot be twisted off, making it portable and lightweight.
	External HDD
	■ HC300 ECO: Uses new environmentally friendly material of recycled plastic along with FSC packaging, thus contributing to environmental sustainability.
	Power bank
	■ C20: C20 power bank features a large capacity lithium polymer battery reaching 20000mAh; can recharge three devices simultaneously. Supports simultaneous charging and discharging and has a built-in LED charging light, which flashes to notify the user when the battery is low. C20 even features a multi-circuit protection mechanism to ensure safe charging or use at any time!
	Mobile Accessory
	■ USB-C to USB-C Cable: The Type-C to Type-C fast charging cable can support a maximum power output of 100W, making it easy to charge a notebook quickly. It supports USB Power Delivery and QC output charging. When paired with a fast charging charger, the maximum charging power can reach 100W. It is suitable for a variety of devices including notebooks, iPhone 15 series, Android phones, tablets, handheld game consoles, and Bluetooth headsets. At the same time, it has passed 20,000 bending and plug-in tests, ensuring its durability.
	Memory cards
	■ Premier Extreme microSD SDXC SD 7.1 Express memory card: Next-generation SD 7.1 Express microSD memory card; PCIe Gen. 3 and NVMe standards, also known as the SD Express specification; 9-time faster than SD-UHS I and 1.57-time faster than the Full Duplex mode (624MB/s) of the previous-generation SD-UHS III. Suitable for current applications of high-speed mobile phones, mobile computing, gaming, imaging, in-vehicle devices, and IoT.
	Life Appliances
	■ DC motor standing fan: Seven-speed wind adjustment, using a DC brushless motor, energy-saving, power-saving, silent, and five-blade design for a comfortable and high air volume output, simulating a cool and natural breeze.
	■ DC motor vortex fan: Five-speed wind adjustment, using a DC brushless motor, energy-saving, power-saving, silent, and 90 degree large angle cycle design to offer wide angle operations and a full range of air circulation. Paired with a Makita battery, provides convenient outdoor use.
	■ Smart voice-controlled LED ceiling light: There is no need to install a control box. Voice control can be used directly to turn on and off the lights and adjust the color temperature and brightness of the ceiling light at will. After the built-in Bluetooth module is paired with a mobile phone, the user can use the mobile APP to turn on and off the lights and adjust the color temperature and brightness of the ceiling light.
2024	DRAM memory modules
	■ XPG LANCER NEON RGB: It is a premium memory module with an extraordinary 60% RGB lighting area, capacity of 24GB, and a speed of up to 8200 to demonstrate stable peak performance at ultra-high speeds.

Year	R&D Project Results
2024	■ XPG LANCER RGB ROG CERTIFIED: XPG and ROG team up to deliver the ultimate DDR5 for users. LANCER ROG CERTIFIED DDR5 memory is specially tuned, with a frequency of 7200MT/s. When the "ROG Certified" mode is enabled, it can be overclocked to 7600MT/s when used with ROG motherboards, achieving unparalleled gaming performance. In addition, it is equipped with PMIC (Power Management Integrated Circuit) and on-die ECC (Error Correction Code) to enhance performance and stability.
	■ LPCAMM2 6400MT/s Memory Module.
	■ CUDIMM 6400MT/s Memory Module.
	■ CSODIMM 6400MT/s Memory Module.
	■ CXL2.0 Memory Module.
	■ MR-DIMM Memory Module.
	■ IA DDR5 ECC SO-DIMM 6400MT/s.
	■ IA DDR5 ECC U-DIMM 6400MT/s.
	■ IA DDR5 ECC R-DIMM 6400MT/s.
	Solid state drives (SSD)
	■ LEGEND 900: The transmission interface is PCIe Gen4 x4, which complies with the NVMe 1.4 standard and has a sequential read and write speed of up to 7000/4700 MB/s. Its high-speed performance plays a decisive role in the e-sports industry. Multiple times faster than general PCIe Gen3 SSD. It is the best solution for resolving the insufficient built-in storage of PS5. Its performance exceeds the original manufacturer's requirements, and the SLC cache algorithm and HMB allow for the smoothest program loading and massive data processing experience. The supported storage capacity is 512GB/1TB/2TB.
	■ XPG GAMMIX S60: The transmission interface is PCIe Gen4x4, compliant with NVMe 1.4 specifications, and compatible with Intel/AMD platform series. Compared to regular PCIe Gen3 SSDs, its speed is doubled, offering superior transmission performance. It is also compatible with all PCIe 3.0 platforms, with supported capacities of 1TB/2TB.
	■ XPG GAMMIX S55: The transmission interface is PCIe Gen4 x4, compliant with NVMe 1.4 standards, M.2 2230 specifications, and compatible with Intel/AMD platform series. With its compact size of 22mm x 30mm, it is more suitable for small form-factor PCs, handheld gaming consoles, and tablets. The continuous read and write speed is up to 5000/3800 MB/s, and its high-speed performance is used in Full Power output of e-sports gaming equipment. Multiple times faster than general PCIe Gen3 SSD. Provide workers and gamers with seamless experiences. The SLC cache algorithm and HMB allow for the smoothest program loading and massive data processing experience. The supported storage capacity is 512GB/1TB.
	■ SSD TOOLBOX integrated copy function: In addition to its original functions, the SSD TOOLBOX is integrated with the copy function in SSD MIGRATION TOOL to make it more convenient for users to use.
	■ A+ SMART: A remote monitoring ADATA SSD software solution. After administrative staff of industrial users install the A+ SMART agent software on terminal devices, and simultaneously install the corresponding A+ SMART server software on the server end, they can monitor the current status of ADATA SSD on the website. Provides value-added services of remote SSD monitoring and management for industrial storage applications in the 5G and IoT era.
	■ IMSS31CP mSATA PLP industrial-grade SSD, compliant with JEDEC MO-300A specifications, utilizes the SATA III 6Gb/s high-speed transfer interface, featuring high capacity, high performance, high reliability, and PLP. It adopts 112-layer 3D TLC flash, with a capacity of up to 4TB. Supports SRAM and DRAM ECC to provide end-to-end data path protection, ensuring data integrity and providing higher speed, durability and security solutions for 5G network communications, surveillance, IoT, rail transportation, etc.
	■ IM2S31C8P M.2 2280 PLP industrial-grade SSD, compliant with JEDEC specifications, utilizes the SATA III 6Gb/s high-speed transfer interface, featuring high capacity, high performance, high reliability, and PLP. It adopts 112-layer 3D TLC flash, with a capacity of up to 4TB. Supports SRAM and DRAM ECC to provide end-to-end data path protection, ensuring data integrity and providing higher speed, durability and security solutions for 5G network communications, surveillance, IoT, rail transportation, etc.

Year	R&D Project Results
	■ IM2P41E4: PCIe Gen4x4 M.2 2242 industrial-grade basic-level SSD with 112-layer 3D TLC flash; delivers sequential read/write speeds of up to 5,100/4,700 MB per second; provides faster, durable and economic solutions to 5G network communication, monitoring, IoT, and other related applications; supported capacity: 128GB/256GB/512GB/1TB/2TB.
2024	■ IM2P41E8: PCIe Gen4x4 M.2 2280 industrial-grade basic-level SSD with 112-layer 3D TLC flash; delivers sequential read/write speeds of up to 7000/5000MB per second; provides faster, durable and economic solutions to 5G network communication, servers, monitoring, IoT, and other related applications; supported capacity: 128GB/256GB/512GB/1TB/2TB/4TB. ■ IM2U41B8: Industrial-grade professional high-efficiency/high-capacity PCIe Gen4x4 U.2 218 SSD compatible with Dram Cache; delivers sequential read/write speeds of up to 7,200/6,500MB per second; provides faster, durable and safe solutions to 5G network communication, servers, data centers, and other applications; supported capacity: 8TB.
	Power bank
	■ C100: C100 power bank features a capacity of 10000mAh; can recharge three devices simultaneously. The built-in LED charging light flashes to notify the user when the battery is low. C100 even features a multi-circuit protection mechanism to ensure safe charging or use at any time! ■ R050: R050 is the first magnetic wireless power bank and features a capacity of 5000mAh and USB-C port; can recharge two devices simultaneously. The built-in LED charging light flashes to notify the user when the battery is low. R050 even features a multi-circuit protection mechanism and foreign object detection to ensure safe charging or use at any time! ■ R100: R100 supports magnetic wireless power banks and features a capacity of 10000mAh; can recharge three devices simultaneously. The built-in LED charging light flashes to notify the user when the battery is low. R100 even features a multi-circuit protection mechanism and foreign object detection to ensure safe charging or use at any time!
	Mobile Accessory
	■ CHARGERU-0653-QCPD: CHARGERU-0653-QCPD is the first GaN wall charger with a maximum output of 65W, which can charge three devices at the same time.

(IV) Long- and Short-Term Business Development Plans

1. Short-term development plans

- (1) Product line diversification: Strengthen the Company product line diversification, including memory modules, flash memory products, SSD, external HDD/SSD, mobile device peripherals, and integration of outdoor LED lighting products with smart home systems, so as to provide customers with a wide range of options, which will strengthen the Company's brand and increase its market share.
- (2) Production and sales strategies: Maintain high utilization in response to economic trends, utilize outsourcing as a flexible adjustment mechanism, and maintain a rapid inventory turnover strategy to prevent the risk of inventory devaluation due to slow moving stock or raw material price fluctuations.
- (3) Technology development: Focus on the development of flash memory related technologies, obtain key technologies of industrial control applications, and develop embedded memory and AIoT applications.
- (4) Sales and marketing: Actively work with world class companies in developing industrial control AIoT applications and embedded applications, enter their supply chain to expand the market share of our products, and develop mobile device peripherals to increase the sales of new products.

2. Long-term development plans

- (1) Marketing strategy: Create the brand image of being a global leader, and offer a variety of innovative products, so that all product lines will become market leaders.
- (2) Production and sales strategies: Establish highly efficient production bases, continue to build highly automated production lines, and establish production coordination mechanisms that integrate the industry's upstream and downstream, in order to plan the most suitable production capacity required for the Company's sales growth.
- (3) Brand strategy: Continue to develop embedded memory, XPG gaming peripherals and systems, and industrial grade product applications, in hopes of becoming a leading brand in eSports.

II. Market, production, and sales

(I) Market analysis

1. Sales regions of main products

Unit: NT\$ thousand; %

Year Region		2022		2023	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Domestic sales		2,591,729	7.42	4,154,898	12.33
Exports	Europe	3,877,655	11.10	2,599,314	7.72
	Asia	11,464,968	32.83	13,551,018	40.23
	Americas	16,043,003	45.93	13,054,460	38.75
	Other	949,586	2.72	325,092	0.97
	Total	34,926,941	100.00	33,684,782	100.00

Note: The amount for All Consolidated Entities.

2. Market share

ADATA continues to maintain its leadership with an outstanding self-owned brand. According to data from DRAMeXchange, the Company not only maintains our position as the only Taiwanese brand among the top five global module manufacturers but also continues to hold the second-largest position globally among SSD module brands, thanks to outstanding brand value, product strength, and market expansion capabilities.

3. Future supply and demand situation and market growth

(1) DRAM memory modules

As DRAM prices recover and market inventory depletion is coming to an end, DRAM manufacturers have begun to gradually restore previously reduced production capacities in 2024. However, considering profitability, there is optimism for increased volume in AI servers in 2024. Additionally, AI PCs, AI smartphones, and other emerging AI applications are expected to enter the consumer market gradually. The three major DRAM manufacturers are actively shifting their production capacity and major investments towards DDR5 and HBM products. According to DRAMeXchange estimates, the global DRAM market is expected to regain growth momentum in 2024. Not only will DRAM wafer production volume increase by 20% annually and the bit growth rate will increase by 18% annually, but global DRAM revenue is also expected to exceed US\$84 billion. increased by more than 60%.

In terms of demand, the development of AI applications will continue to drive market growth in the memory industry, including both cloud and edge computing. Akshay Singh, Vice President and head of advanced packaging at Micron, pointed out that HBM for generative AI and machine learning is expected to have a compound annual growth rate of 50% by 2025. At the same time, AI PCs and AI smartphones involved in edge computing will also see an increase in the basic requirement of memory capacity per device due to the demand for large-scale data processing. Research firm IDC estimates that in 2024, the shipment volume of AI PCs will be around 50 million units. However, with the surge in demand for AI PCs, by 2027, the overall shipment volume is expected to increase to 167 million units, accounting for nearly 60% of the total PC market.

(2) NAND flash related applications and products

As the operational performance of NAND Flash manufacturers has not met expectations, and global consumer demand is still recovering, manufacturers are conservative in their capital expenditures and wafer production volumes in 2024. DRAMeXchange estimates that global NAND Flash capital expenditures will decrease by 3% to 4% annually in 2024, and overall wafer production volume will remain at the same level as in 2023, with the annual bit growth rate for the year being only about 10%.

According to the data, the year-on-year growth rate of NAND Flash demand for various applications in 2024 is around 14%. Although it has increased compared to 2023, the growth rate is significantly lower than the period when demand for server SSDs surged and the penetration rate of NB SSDs rapidly expanded, with an annual NAND Flash demand growth rate of over 30%. This indicates a notable slowdown in the growth of demand across various applications. It is worth mentioning that, influenced by global inflation and tightened corporate spending, traditional server demand has not yet returned to pre-pandemic growth levels. However, the year-on-year growth rate for server SSD demand is 23%, making it the highest growth rate among all NAND Flash applications in 2024.

4. Competitive niche

- (1) The Company has built strong relationships with the supply chain's upstream and downstream, and has an advantage over competitors in terms of control over supply and product development.

ADATA has continuously built supply chain relationships through the strategies of diversification and long-term partnerships, and thus had support from the supply chain's upstream and downstream during fluctuations in the memory industry. The Company's accurate understanding of industry trends has enabled it to stand strong in the global industry of memory modules. Through long-term cooperation and interactions, ADATA has been able to stay up-to-date on leading memory technologies, whether it may be the latest memory chips, transmission interfaces, or AI servers, ADATA was always the first in the industry to incorporate them into its product development, and continue to launch new products in the memory market, cementing our place in the industry.

- (2) AWAYSPEED electric tricycle vies for market share of green logistics under the global “zero carbon emissions” trend

In response to the growing global warming and air pollution issues, nations around the world have declared the goal of achieving net zero carbon emissions by 2050. Taiwan has also stipulated the Pathway to Net-Zero Emissions by 2050, aiming to make all new passenger cars and motorcycles electric by 2040 and collecting carbon fees starting in 2025. In view of the global green energy and environmental protection trend, ADATA's AWAYSPEED was the first to launch a commercial electric tricycle “eTrike”. Because of its high carrying capacity, zero emissions, and low noise, it has been adopted by domestic logistics operators and medical institutions.

Following the B2B logistics market, AWAYSPEED's electric tricycles have also introduced customized vehicle models and services, including short-term leasing options to seize election-related opportunities, three-wheel models suitable for mobile markets and individual sellers, and refrigerated models for agricultural, livestock, floral, and fruit and vegetable markets. In addition, in response to different overseas market demands,

AWAYSPEED's rechargeable electric tricycle is expected to be launched this year, with a focus on expanding potential markets such as Europe and Southeast Asia.

5. Favorable and unfavorable factors for future development and response strategies

(1) Favorable factors:

- Memory prices have bottomed out and are rising, and generative AI applications are driving up demand for memory:

With the significant reduction in production capacity and the proactive price adjustment strategy by memory manufacturers, the prices of DRAM and NAND Flash finally bottomed out and began to rebound in the third quarter of 2023 after more than a year of correction. According to DRAmEXchange, from the third quarter of 2023 to the first quarter of 2024, the cumulative increase in NAND Flash contract prices has exceeded 100%, and DRAM contract prices have also increased by 30%.

In addition, the rise of generative AI has led to a rise in HBM demand driven by AI servers. As AI applications expand to areas such as PCs and smartphones, the increase in edge computing will also drive the growth of DRAM and NAND Flash capacities in various devices. Overall, memory demand will grow quarter by quarter as AI applications spread, and the market expects that the memory industry will develop in a positive direction in the next two years.

(2) Unfavorable factors and response measures:

- Geopolitical and COVID-19 risks had impact on business planning:

The US-China trade war, the Covid-19 pandemic, and regional conflicts have prompted countries and businesses worldwide to consider the issue of overconcentration in production supply chains. In response, companies initiated risk diversification plans and changed their production bases to Taiwan, Southeast Asia, and India, while governments are also using national policy restriction and subsidy programs to build their own semiconductor supply chains. At the end of 2022, the United States imposed large-scale chip export restrictions to restrict the development of China's semiconductor and military industries. In 2023, India intended to restrict the import of PC products from various countries to strengthen local manufacturing in India and reduce dependence on other countries.

- Response measures:

A. Diversification of suppliers and production bases: The Company has adopted the strategy of diversifying its suppliers for years to prevent the risk of supply and production being too concentrated. The world's main memory manufacturers, including from the US, Korea, Taiwan, and Mainland China, are all suppliers of the Company. At the same time, in addition to having 4 production locations in Taipei, Suzhou, and Brazil, the Company also invested in building an India plant in 2023 to expand its global production footprint. It is expected that the India plant will join the ranks of mass production in the fourth quarter of 2024 to meet the comprehensive needs of customers.

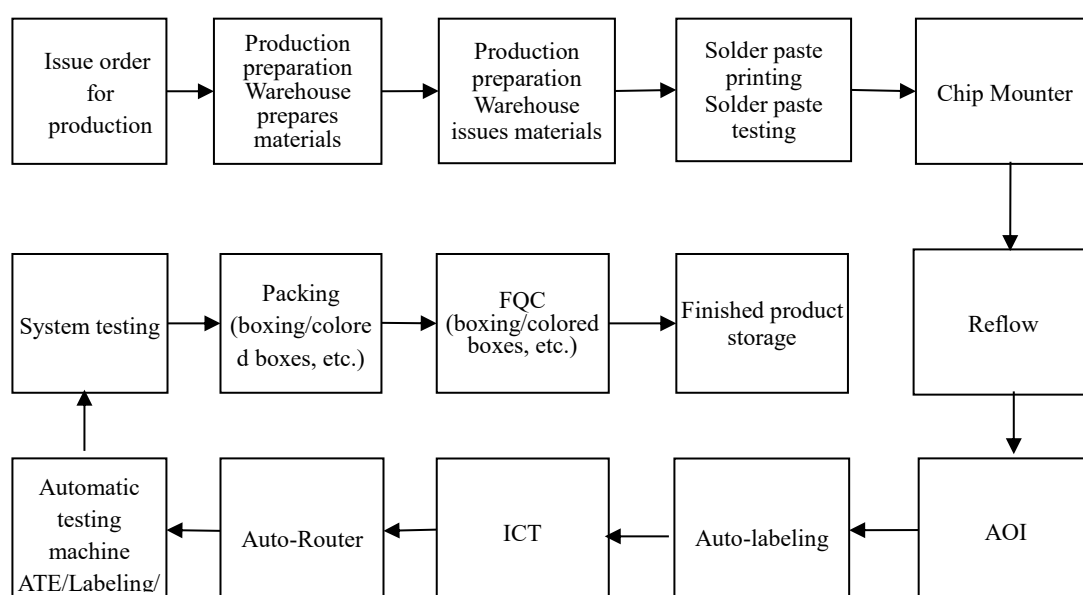
B. Active implementation of smart manufacturing: The Company began implementing smart manufacturing in 2011, starting from automation and gradually expanding to digitalization and AI. In addition to lowering labor costs and making raw materials management smarter, this also allows the Company to monitor production in all factories, and flexibly adjust production in response to market changes. At the same time, the Company will implement AI and robotic arm production plans, thereby accelerating the upgrade of factories to the next phase of smart factories.

(II) Application and production of key products

1. Important applications of major products

Main products	Purpose
Niche memory products	Used in consumer and industrial hardware and peripheral products such as memory modules, DVD players, digital cameras, Set-Top Box, LCD Monitor, ADSL, VDSL, CDRW, VGA cards, IA products, motherboards, IoT, Smart Home, IP CAM, and robots for computing memory.
Memory modules	Used in PCs, notebooks, workstations, servers, POS, e-sports PCs/notebooks, creator PCs, and printers.
Consumer flash memory products	Used in small flash memory cards in various mobile devices, flash drives for exchanging data on PCs and notebooks, and flash memory card adapter/card reader series.
External storage devices	Used by PCs, notebooks, tablet computers, media players, TVs, smartphones, and video game consoles for general data and multimedia data storage.
Solid state drives	Used by tablet PCs, PCs, notebooks, video game consoles, corporate-grade servers, industrial computers, and cloud servers; memory solutions with different interfaces and dimensions are provided for different applications.
Mobile device peripherals	Used for data exchange, storage media expansion, battery capacity expansion, and fast charging of smartphones and tablets.
LED Lighting	Used for home lighting, commercial lighting, and outdoor lighting. The energy efficiency of LED will make it the mainstream lighting application in the future when there is insufficient energy. Furthermore, the integration of light control system and energy consumption management system will bring smart lighting, smart homes, and smart street lights from conventional lighting into the field of IoT smart lighting.

2. Production processes of main products



3. Supply status of primary raw materials

Products	Primary raw materials	Suppliers	Supply status
Memory modules, memory cards, and flash drives	DRAM IC, FLASH IC	SK Hynix Taiwan, Zhi Shang, and Micron Technology, Inc.	Good, stable

4. Names of customers who accounted for more than 10% of the sales in the last two years, and sales as a percentage of total sales.

(1) List of main suppliers

Unit: NT\$ thousand; %

Item	2022				2023				2024 up to the previous quarter (Note)			
	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer	Name	Amount	As a percentage of total purchase (%)	Relationship with issuer	Name	Amount	Percentage of net purchase in the current year up to the previous quarter (%)	Relationship with issuer
1	B11	7,719,099	30.81	None	B02	8,103,183	23.33	None	None	-	-	None
2	B06	3,695,613	14.75	None	B11	6,565,496	18.90	None	None	-	-	None
3	B02	3,156,323	12.60	None	B19	4,753,064	13.68	None	None	-	-	None
	Others	10,479,431	41.84	None	Other	15,311,151	44.09	None	Others	-	-	None
	Net purchase	25,050,466	100.00	None	Net purchase	34,732,894	100.00	None	Net purchase	-	-	None

Note: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Reasons for changes:

ADATA Technology mainly manufactures and sells memory modules and flash memory products. The Company mainly purchases DRAM IC and FLASH IC, which have large price fluctuations due to market conditions. Hence, when the Company is purchasing DRAM IC and FLASH IC, it will reference current market prices, the supplier's product quality, and business relationship. Upstream suppliers that the Company purchases from are all well known DRAM IC or FLASH IC manufacturers. Changes in some suppliers (such as B06, B02, and B19) were mainly due to the specifications and generation of products sold by the Company, resulting in purchases from different suppliers or agents.

(2) List of main customers

Unit: NT\$ thousand; %

Item	2022				2023				2024 up to the previous quarter			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales in the first quarter (%)	Relationship with issuer
1	A17	3,793,506	10.86	None	A17	2,260,810	6.71	None	-	-	-	None
2	A15	1,400,810	4.01	None	A13	1,331,020	3.95	None	-	-	-	None
3	A19	1,022,466	2.93	None	A20	996,103	2.96	None	-	-	-	None
	Other	28,710,159	82.20	None	Other	29,096,849	86.38	None	-	-	-	None
	Net sales	34,926,941	100.00	None	Net sales	33,684,782	100.00	None	-	-	-	None

Note: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Reasons for changes:

The Company mainly manufactures and sells memory modules and flash memory products, and mainly sells products to memory distributors and memory module manufacturers, motherboard manufacturers, bare bones system manufacturers, graphics card manufacturers, and other 3C product manufacturers and distributors. The Company continued to increase its products and improve product performance in recent years in response to the rapid changes in IT products, and has dedicated its efforts to expanding customer groups and securing its market competitiveness, which has increased customer sources. In the top ten customers in the past two years, one customer accounted for 5% of total sales in 2022, and one customer accounted for 5% of total sales in 2023, while all other customers accounted for less than 5%, showing that there is no risk of over-concentration in sales. Furthermore, changes in main customers were mainly due to the Company's adjustment of its sales strategy.

5. Output volume and value in the past two years

Unit: 1,000; NT\$ thousand

Output quantity and value Main Products	Year	2022			2023		
		Production capacity	Output volume	Output value	Production capacity	Output volume	Output value
Memory modules		15,700	15,098	14,578,568	19,100	18,955	14,814,756
Flash memory products		19,600	22,094	10,852,089	32,700	31,709	11,887,434
Total		35,300	37,192	25,430,657	51,800	50,664	26,702,190

6. Sales volume and value in the past two years

Unit: 1,000; NT\$ thousand

Sales volume and value Main Products	Year	2022				2023			
		Domestic sales		Exports		Domestic sales		Exports	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
DRAM products		2,727	1,292,319	20,769	15,113,346	25,110	2,813,393	32,372	13,200,955
NAND Flash products		3,551	935,150	59,834	14,570,043	3,725	855,085	69,790	13,697,479
Other		2,833	364,260	113,135	2,651,823	9,107	486,420	64,514	2,631,450
Total		9,111	2,591,729	193,738	32,335,212	37,942	4,154,898	166,676	29,529,884

III. The Group's employees in the past two years and up to the date of report

Unit: People

Year		2022	2023	The current year up to March 31, 2024
Number of employees	Manager	306	312	371
	General employees	908	993	912
	Production line personnel	951	970	925
	Total	2,165	2,275	2,208
Average age		35.63	36.58	36.99
Average years of service		5.02	4.02	4.13
Academic qualification	Doctoral Degree	0.44%	0.73%	0.43%
	Master's	25.33%	25.87%	25.36%
	Bachelor	67.26%	67.88%	66%
	Senior High School	6.67%	5.38%	8.07%
	High school and below	0.30%	0.14%	0.14%

IV. Information on environmental protection expenses

- (I) Total amount of losses (including compensation) sustained by and penalties imposed on the Company due to environmental pollution in the past year and up to the date of report, and describe future response measures and potential expenditures:
1. The Company mainly manufactures and sells memory modules and flash memory products and also sells niche memory products. The Company's business does not involve any environmental pollution, so the Company did not sustain any damages due to environmental pollution in the past two years. Furthermore, the Company purchases eco-friendly general supplies every year to support the energy conservation and carbon reduction policy.
 2. The Company complies with relevant governmental and international laws and regulations and customer specifications on environmental protection. It develops green products to meet the environmental requirements of low pollution and energy saving, and implements internal education and training on environmental protection to maintain external communication channels on environmental protection. It holds related training, recycling, and testing every year to continue to comply with the expenses of green products and others.
- (II) Protective measures taken to ensure a safe working environment and maintain employees' personal safety
1. The Company is aware of the importance of protective measures taken to ensure a safe working environment and maintain employees' personal safety. ISO 14001 & ISO45001 & CNS15506 management systems are utilized for major environmental concerns/occupational safety and health risk management, using management by objective and plan to improve areas of priority. Relatively low risks are managed through operations control, and significant results were achieved through the improvement of operations.

2. Occupational health, safety, and environment management system: In response to global trends in environmental and occupational health and safety, ADATA continues to implement ISO 14001, ISO 45001, and CNS 15506 management systems to ensure effective operations and compliance with national safety and health regulations, as well as ISO 45001 and CNS 15506 occupational health and safety management models. The Company aims to provide employees with a safe and comfortable working environment, establish a sustainable environmental culture, and fulfill the Company's responsibilities to society. The Company continues to obtain SGS certification every three years. The current effective period is from October 24, 2021, to October 24, 2024.
3. Occupational safety performance: Establishing a safe and healthy working environment where employees can feel at ease is ADATA's responsibility to its employees. ADATA established an Occupational Health and Safety Committee in accordance with the law, with the Chairperson being the Chairperson of the Board. Additionally, seven senior executives serve as committee members to assist in coordinating and promoting various environmental health and safety initiatives. The committee convenes quarterly meetings to consult and communicate on various occupational health and safety issues, ensuring the protection of workers' rights. It also upholds a spirit of continuous improvement to optimize operations, reduce occupational health and safety risks, and ensure a safe and healthy working environment for employees.
4. In 2023, ADATA had a total of 0 severe occupational disasters, general occupational disasters, and false alarms, and there were no monetary losses caused by legal proceedings related to employee health and safety violations. With the goal of zero occupational accidents, ADATA continues to conduct risk and health management to reduce risks for all personnel. Achieve the goal of total injury index FSI = 0 in 2023, and strive to create a "zero occupational accident" workplace.

V. Labor-Management Relations

Talent is the most valuable asset of ADATA Technology. The Company provides various benefits and actively cultivates talent because it cherishes talent, hoping to create a happy workplace. Hence, we aim to maintain harmonious labor-management relations and increase employees engagement and commitment to the Company, as we continue to plan and improve internal systems and environment.

(I) Employee benefits and implementation status:

1. Employee benefits: Besides complying with the Labor Standards Act, the Company established an Employee Welfare Committee to implement numerous benefits systems and provide benefits additionally planned by the Company, in hopes that employees will become even more committed to the Company. Related benefits are described below:
 - (1) Benefits of the Employee Welfare Committee:
 - Gift certificates for the Mid-Autumn Festival, the Dragon Boat Festival, May 1st, books, and birthdays, and subsidies for marriage, childbirth, and funerals.
 - Employee travel subsidies for employees to relax and relieve stress when employees are not at work.
 - Birthday parties, department gatherings and club subsidies, encouraging employees to establish clubs and improve their relationships with colleagues in the same and different departments.

- (2) Other benefits:
 - New employees who pass assessments are entitled to paid sick leave of 7 days and paid personal leave of 3 days.
 - Employees who participate in charity activities organized by the Company's Public Welfare Society on working days or holidays are entitled to volunteer leave/public welfare leave of up to 3 days per year in total.
 - Meal subsidies.
 - Group insurance and allowing employees to enroll their spouse and children in their insurance.
 - Cash gifts and gifts on Mid-Autumn Festival.
 - Family day for employees' families to participate and strengthen the bond between employees' families and the Company.
 - Year-end party and lucky draw to show appreciation for employees' hard work.
 - All employees receive an annual medical checkup and have access to the infirmary and fitness center to take of employees' health.
 - The Company provides a breastfeeding room and implemented a maternity protection project to care for female employees.
 - Movie appreciation, health education, stress relief lectures, and library for employees' spiritual development.
 - Employees are able to purchase the Company's own products at preferential prices each month.
 - The Company outsources its employee assistance programs (EAPs) to external professional counseling organizations, which provide free advice on mental health, law, tax, management, and physical health for employees.
2. Retirement system: The Company's established a dedicated account for labor pensions, and established retirement regulations and pension payment standards in accordance with the Labor Standards Act.
 - (1) Those who are subject to the new Labor Pension Act: The Company is required by law to contribute 6% of each employee's monthly salary to their pension, and employees may also voluntarily contribute up to 6% of their monthly salary to their pension.
 - (2) Those who are subject to the old Labor Standards Act: The Company's special retirement reserve account withdraws 2% of each employee's monthly salary to the Bank of Taiwan's special retirement reserve account.
 - (3) Employee shareholding trust: The Company has established a Shareholding Trust Committee for its employee retirement system. In addition to regular contributions to the statutory retirement accounts in accordance with the Labor Standards Act and the Labor Pension Act, full-time employees with at least one year of tenure can purchase company stocks in a regular and fixed amount. The "Employee Stock Ownership Trust" hopes to increase the protection for employees' futures, improve cohesion, enhance labor-management harmony, and enable the Company's sustainable development.
3. The Company organizes improvement proposal events, which encourage employees to show their creativity, to help the Company improve its operational efficiency, and rewards are provided for good proposals.
4. Talent recruitment and appointment:

Employees are ADATA's most important asset, and selection, cultivation, appointment, and retention systems help the Company attract and recruit outstanding talent. Hence,

the Company upholds the principle of fairness and impartiality, and recruits employees through various channels. Job applicants are not discriminated against due to their race, gender, religion, nationality, or political stance. Furthermore, the Company established the Regulations on Rewards for Employee Recommendations, so that outstanding and stable talent can be recruited through employee recommendations.

5. Training and talent development:

The Company established education and training related regulations and formulates annual education and training plans to improve the quality of employees, and improve their work skills, efficiency, and quality. On-the-job training and external training is provided for employees at different levels and in different positions. Furthermore, the Company also provides employees with a variety of career development opportunities, including: horizontal job rotation between departments based on individual career expectations and organizational needs, stationed overseas for long periods of time, and short-term business trips to perform key tasks, in order to cultivate outstanding professional talent that will improve the Company's business performance.

Statistics of training provided by ADATA in 2023 are as follows:

No.	Category	Number of courses	Course hours
1	Orientation	17	34
2	Professional training	38	62.5
3	General knowledge training	33	47
4	Management training	17	22.5
5	Auditing laws	38	138.5
Total		143	304.5

Note: Excludes on-the-job training of departments and general knowledge training for new employees.

Orientation: Includes orientation, general knowledge training, brand training, and new employee forums.

Specialized training: Provides employees with specialized training, such as sales, procurement, quality, R&D, and information.

General knowledge training: Provides all employees with new legal knowledge, data analysis, word processing, and other cross-professional training.

Management training: Provides management training for managers to lead and cultivate their subordinates.

Auditing laws: Quality and ESH related training organized by the Company in response to regulatory requirements or verification systems.

6. Labor-management agreements:

Employee attendance, holidays, and leave measures are implemented in accordance with the Company's personnel management regulations. The Company will amend internal regulations in coordination with any regulatory or policy changes by the government, and important information will be announced to employees.

7. Other employee rights protection measures:

The Company has always handled labor-management relations based on the business philosophy that labor and management are part of the same organization and should co-exist and mutually prosper. Hence, we take employees' opinions very seriously, and employees may reflect any issues they encounter in life and at work through the Company's formal and informal communication channels at any time. The Company and employees gain a better understanding of each other through the two-way communication abilities below, building a consensus to create better labor conditions and environment.

- (1) Labor-management meetings: Labor-management meetings are regularly held and attended by representatives nominated/elected by both sides. The meetings mainly focus on promoting the Company's systems and facilitate two-way communication between employees and the Company regarding various policies, work environment, and safety and health issues. Labor and management build mutual trust through this negotiation model, and provide important sources of information that is referenced for administrative management.
 - (2) Employee Welfare Committee: The Employee Welfare Committee is formed by enthusiastic representatives who are skilled at communication elected through public, fair, and impartial elections. Hence, committee members representing both labor and management are able to propose good opinions regarding benefits during committee meetings, and the measures are implemented after thorough communication.
 - (3) Employee opinion box: The Company set up an employee opinion box to provide a smooth communication channel for employees, so that senior executives can also listen to the opinions and voices of basic level employees, and flexibly provide constructive feedback and recommendations.
 - (4) Labor Safety and Health Committee: Pursuant to the Labor Safety and Health Organization Management and Self-Inspection Regulations, a safety and health organization was established based on the Company's scale and nature, and meetings are convened every three months to coordinate, review, and evaluate safety and health affairs, in order to create a culture of safety in the workplace.
 - (5) Implementation of four occupational safety and health projects: The Company implemented four major projects: "Prevention of unlawful infringement while performing duties," "Maternal health protection," "Hazard prevention through ergonomics," and "Prevention of diseases caused by abnormal workload" to create a culture of safety in the workplace.
- (II) Losses sustained due to labor disputes in the most recent year and up to the date of report, and disclose current and future estimated amount and response measures; if it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimate: None.

VI. Information security management

- (I) Describe the information security risk management framework, the information security policy, actual management plans, the management resources for investor information security, and other information:
1. Information security risk management structure: The Information Technology Division is responsible for information security, formulating related control procedures and management, and periodically conducting information security inspections.
 2. Information security management system: In order to demonstrate the importance attached to information security and to align with international information security standards, the ISO 27001 information security management systems are being introduced, which will be completed in March 2025, to strengthen the ability to respond to information security incidents and protect the Company's and customers' assets.
 3. Corporate information security organization: The Company established the "Information Technology and Security Department" in 2023 to coordinate the formulation, implementation, risk management, and compliance of information security and protection-related policies.
 4. The Company has one dedicated information security manager and one information security specialist who supervise the implementation of information security operations throughout the Company and ensure the effectiveness of the information security risk management mechanism. They report to the President on overall information security management, implementation, and improvement effectiveness at the monthly meetings, in accordance with global information security trends and changes in domestic and international laws and regulations.
 5. Information security policy:
 - (1) Purpose: The Company established an information security management system to create a safe and trusted operating environment for information systems, maintain normal operations, lower operational and process risks, and protect the rights and interests of customers, suppliers and users.
 - (2) Scope: The scope of the Company's information security management includes IT personnel at each location, management system, applications, data, documents, storage media, hardware equipment, and network facilities.
 - (3) Objective: To prevent information systems from improper use or intentional sabotage by internal and external personnel, or for the Company to be able to rapidly respond and recover within the shortest amount of time when information systems have already been improperly used or intentionally sabotaged, and thereby reduce the potential losses and operational risks from the incident.
 - (4) Procedure: Manage IT facilities, network security, system development and program modification, data security, information confidentiality, and outsourcing. The Company continues to strengthen its overall information structure and security management, and has implemented numerous information security enhancement projects.

6. Describe the actual management plans, and the management resources for investor information security:

- (1) Strengthen network and website security (firewall and intrusion detection system, VPN connection, and website vulnerability scanning).
- (2) Strengthen endpoint security (endpoint management system, anti-virus software, website management, real-time communications management, and Windows update).
- (3) Data leakage protection (document classification and access rights and portable storage device management).
- (4) E-mail security (blocking spam, virus, or phishing, and e-mail backup mechanisms).
- (5) Enhance the IT infrastructure (server and network cluster structure establishment and remote backup).
- (6) Recovery drills (drills for recovering files, database, and system from remote backup).
- (7) Raise information security awareness (regular communication, credit-based training courses, and social engineering rehearsal).

In addition to the enhancement projects above, the Company implements its information policies, including irregularly participating in information security seminars to understand the latest information security issues, trends, and reinforcement measures, so as to continue enhancing and improving its information security management.

- (II) List the losses sustained due to major information security incidents, possible impact, and the responses measures in the most recent year and up to the date of report. If it cannot be reasonably estimated, describe the facts that it cannot be reasonably estimated: There were no major information security incidents in 2023 and up to the publication of the annual report.

VII. Important Contracts

March 31, 2024

Nature of contract	The Parties	Commencement date/expiration date	Content	Restrictive clauses
Consignment guarantee contract	Eight banks including Mega International Commercial Bank	December 30, 2013–June 30, 2024	Application to banks for performance guarantee to obtain the right to the second issue of sports lottery	Maintain a certain financial ratio
Consignment guarantee contract	Five banks including Mega International Commercial Bank	January 23, 2024–June 30, 2024	Application to banks for performance guarantee to obtain the right to the third issue of sports lottery	Maintain a certain financial ratio
Long-term loan contracts	Twelve banks including the Bank of Taiwan	March 18, 2021–March 19, 2026	Long-term borrowings	Maintain a certain financial ratio

Six. Financial overview

I. Condensed Balance Sheet and Statement of Comprehensive Income for the last five years

(I) Condensed Balance Sheet and Statement of Comprehensive Income for the last five years

1. Condensed Balance Sheet

(1) IFRS (consolidated)

Unit: NT\$ thousand

Item \ Year		Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current assets		13,225,969	16,747,644	20,927,789	18,514,731	26,043,961	-
Property, plant and equipment		5,562,107	4,854,947	5,031,508	9,826,204	10,056,361	-
Intangible assets		898,271	760,791	712,287	700,275	506,968	-
Other Assets		5,218,609	5,763,273	6,124,374	6,887,101	8,042,482	-
Total Assets		24,904,956	28,126,655	32,795,958	35,928,311	44,649,772	-
Current liabilities	Before distribution	8,061,767	12,088,088	14,426,468	10,523,978	18,031,640	-
	After distribution	8,372,926	12,896,282	15,848,049	11,050,909	(Note 2)	-
Non-current liabilities		8,596,269	6,418,930	5,707,681	12,776,486	11,063,270	-
Total liabilities	Before distribution	16,658,036	18,507,018	20,134,149	23,300,464	29,094,910	-
	After distribution	16,969,195	19,315,212	21,555,730	23,827,395	(Note 2)	-
Equity attributable to owners of parent		7,575,310	8,953,803	11,915,830	11,741,190	14,545,973	-
Share capital		2,237,943	2,363,736	2,636,713	2,674,264	2,959,654	-
Capital surplus		3,832,766	4,476,729	5,612,980	5,788,831	7,364,360	-
Retained earnings	Before distribution	2,798,093	3,784,702	5,225,972	4,588,572	5,489,732	-
	After distribution	2,486,934	2,976,508	3,804,391	4,061,641	(Note 2)	-
Other equity		(1,130,730)	(1,318,554)	(1,284,605)	(1,065,058)	(1,227,224)	-
Treasury stock		(162,762)	(352,810)	(275,230)	(245,419)	(40,549)	-
Non-controlling interest		671,610	665,834	745,979	886,657	1,008,889	-
Total equity	Before distribution	8,246,920	9,619,637	12,661,809	12,627,847	15,554,862	-
	After distribution	7,935,761	8,811,443	11,240,228	12,100,916	(Note 2)	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: As of the publication date of the Annual Report, the Company's Board of Directors has yet to resolve on the 2023 earnings distribution proposal.

Note 3: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

(2) International Financial Reporting Standards (individual)

Unit: NT\$ thousand

Item \ Year		Financial statements for the past five years					Financial data for the current year up to March 31, 2024 (Note 3)
		(Note 1)					
		2019	2020	2021	2022	2023	
Current assets		10,209,397	12,966,041	15,967,399	13,456,606	21,347,177	-
Property, plant and equipment		1,845,119	1,410,288	1,380,283	5,847,026	6,156,146	-
Intangible assets		43,908	30,598	34,697	27,659	20,707	-
Other Assets		12,950,353	13,210,549	15,307,171	16,808,466	18,637,708	-
Total Assets		25,048,777	27,617,476	32,689,550	36,139,757	46,161,738	-
Current liabilities	Before distribution	9,007,914	12,377,535	15,122,086	12,017,656	20,913,215	-
	After distribution	9,319,074	13,185,729	16,543,667	12,544,587	(Note 2)	-
Non-current liabilities		8,465,552	6,286,138	5,651,634	12,380,911	10,702,550	-
Total liabilities	Before distribution	17,473,467	18,663,673	20,773,720	24,398,567	31,615,765	-
	After distribution	17,784,626	19,471,867	22,195,301	24,925,498	(Note 2)	-
Equity attributable to owners of parent		7,575,310	8,953,803	11,915,830	11,741,190	14,545,973	-
Share capital		2,237,943	2,363,736	2,636,713	2,674,264	2,959,654	-
Capital surplus		3,832,766	4,476,729	5,612,980	5,788,831	7,364,360	-
Retained earnings	Before distribution	2,798,093	3,784,702	5,225,972	4,588,572	5,489,732	-
	After distribution	2,486,934	2,976,508	3,804,391	4,061,641	(Note 2)	-
Other equity		(1,130,730)	(1,318,554)	(1,284,605)	(1,065,058)	(1,227,224)	-
Treasury stock		(162,762)	(352,810)	(275,230)	(245,419)	(40,549)	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	7,575,310	8,953,803	11,915,830	11,741,190	14,545,973	-
	After distribution	7,264,151	8,145,609	10,494,249	11,214,259	(Note 2)	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: As of the publication date of the Annual Report, the Company's Board of Directors has yet to resolve on the 2023 earnings distribution proposal.

Note 3: After the IFRS was implemented in 2013, Q1 to Q3 data is consolidated for disclosures, so there is no data for 2024 Q1 disclosed in the standalone financial information.

2. Condensed Statement of Comprehensive Income
(1) IFRS (consolidated)

Unit: NT\$ thousand

Item \ Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2024 (Note 3)
	2019	2020	2021	2022	2023	
Operating revenue	25,562,440	32,227,330	39,593,764	34,926,941	33,684,782	-
Operating margin	2,828,616	4,775,715	5,771,188	4,389,946	5,657,935	-
Operating profit and loss	108,890	1,888,095	2,318,073	707,222	1,774,957	-
Non-operating income and expense	516,436	86,042	955,105	377,747	200,728	-
Profit before tax	625,326	1,974,137	3,273,178	1,084,969	1,975,685	-
Continuing business units	410,522	1,361,192	2,358,374	885,587	1,494,275	-
Current period net profit						
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	410,522	1,361,192	2,358,374	885,587	1,494,275	-
Other comprehensive income (net after tax)	(278,315)	(101,883)	(141,386)	223,330	49,426	-
Total comprehensive income	132,207	1,259,309	2,216,988	1,108,917	1,543,701	-
Net income attributable to owners of the parent	412,940	1,350,659	2,247,354	829,584	1,409,388	-
Net income attributable to non-controlling interest	(2,418)	10,533	111,020	56,003	84,887	-
Total comprehensive income (loss) attributable to owners of the parent	147,455	1,267,349	2,171,366	1,014,992	1,404,114	-
Total comprehensive income (loss) attributable to non- controlling interest	(15,248)	(8,040)	45,622	93,925	139,587	-
Earnings per share (loss) (NT\$) (Note 2)	1.90	6.10	9.14	3.19	5.21	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss) is calculated using the weighted average number of ordinary shares outstanding during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

(2) International Financial Reporting Standards (individual)

Unit: NT\$ thousand

Item \ Year	Financial statements for the past five years (Note 1)					Financial data for the current year up to March 31, 2024 (Note 3)
	2019	2020	2021	2022	2023	
Operating revenue	24,224,889	29,612,087	36,302,777	28,644,980	28,945,011	-
Operating margin	1,761,606	3,105,460	3,389,665	1,352,306	3,012,553	-
Operating profit and loss	(138,727)	1,085,811	1,033,901	(731,091)	642,033	-
Non-operating income and expense	623,675	666,703	1,717,548	1,552,489	1,037,244	-
Profit before tax	484,948	1,752,514	2,751,449	821,398	1,679,277	-
Net income from continuing operations	412,940	1,350,659	2,247,354	829,584	1,409,388	-
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	412,940	1,350,659	2,247,354	829,584	1,409,388	-
Other comprehensive income (net after tax)	(265,485)	(83,310)	(75,988)	185,408	(5,274)	-
Total comprehensive income	147,455	1,267,349	2,171,366	1,014,992	1,404,114	-
Net income attributable to owners of the parent	412,940	1,350,659	2,247,354	829,584	1,409,388	-
Net income attributable to non-controlling interest	-	-	-	-	-	-
Total comprehensive income (loss) attributable to owners of the parent	147,455	1,267,349	2,171,366	1,014,992	1,404,114	-
Total comprehensive income (loss) attributable to non-controlling interest	-	-	-	-	-	-
Earnings per share (loss) (NT\$) (Note 2)	1.90	6.10	9.14	3.19	5.21	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss) is calculated using the weighted average number of ordinary shares outstanding during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: After the IFRS was implemented in 2013, Q1 to Q3 data is consolidated for disclosures, so there is no data for 2024 Q1 disclosed in the standalone financial statements.

(II) Name of CPA and auditors' opinions in the last five years

Year	CPA	Audit opinion
2019	Shih-Chun Huang and Tsui-Miao Yeh (Note)	Unqualified opinion
2020	Shih-Chun Huang and Tsui-Miao Yeh	Unqualified opinion
2021	Shih-Chun Huang and Tsui-Miao Yeh	Unqualified opinion
2022	Huang, Shih-Chun and Wu, Yu-Lung	Unqualified opinion
2023	Huang, Shih-Chun and Yu, Zhi-Fan	Unqualified opinion

Note: In 2019, the Company's audit certification was handled by CPAs Huang, Shih-Chun and Yeh, Tsui-Miao due to an internal organizational adjustment at PwC Taiwan. For 2022, the audit certification was conducted by CPAs Huang, Shih-Chun and Wu, Yu-Lung. In 2023, the audit certification was handled by CPAs Huang, Shih-Chun and Yu, Zhi-Fan.

II. Financial analysis of the last five years

(I) Individual financial analysis of the last five years

1. International Financial Accounting Standards

Analysis item \ Year		Financial analysis of the last five years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt ratio	69.76	67.58	63.55	67.51	68.49
	Long-term fund to property, plant and equipment	869.37	1,080.63	1,272.74	412.55	410.14
Liquidity (%)	Current ratio	113.34	104.75	105.59	111.97	102.08
	Quick ratio	64.47	56.74	59.48	69.88	33.85
	Times interest earned	3.91	13.63	23.78	5.06	3.83
Management capabilities	Receivables turnover (times)	7.73	8.55	7.69	5.86	6.88
	Average collection days	47.22	42.69	47.46	62.29	53.05
	Inventory turnover (times)	6.53	5.08	5.10	4.39	2.67
	Payables turnover	5.21	4.75	5.28	3.83	4.16
	Average inventory turnover days	55.89	71.85	71.56	83.14	136.70
	Property, plant and equipment Turnover (times)	13.55	18.19	26.02	7.93	4.82
	Total assets turnover (times)	1.00	1.12	1.20	0.83	0.70
Profitability	ROA (%)	2.26	5.55	7.77	2.88	4.58
	Rate of return on equity (%)	5.59	16.34	21.54	7.01	10.72
	Pre-tax profit to paid-in capital ratio (%)	21.67	74.14	104.35	30.71	56.74
	Net margin (%)	1.70	4.56	6.19	2.90	4.87
	Earnings per share (loss) (NT\$) (Note 2)	1.90	6.10	9.14	3.19	5.21
Cash flows	Cash flow ratio (%)	(Note 3)	7.14	(Note 3)	31.87	(Note 3)
	Cash flow adequacy ratio (%)	53.86	44.40	43.59	56.29	(Note 3)
	Cash reinvestment ratio (%)	(Note 3)	3.68	(Note 3)	9.82	(Note 3)
Leverage	Operating leverage	(5.03)	1.77	2.10	(0.95)	2.96
	Financial leverage	0.45	1.15	1.13	0.78	13.17

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss per share) is calculated using the weighted average number of outstanding shares during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: Cash flow ratio and cash reinvestment ratio were not listed because cash flow from operating activities was a net negative or negative after deducting cash dividends.

Please provide the reasons for changes in financial ratios in the most recent two years. (analysis not required if the change does not reach 20%).

1. Benefiting from gradually increasing product quotations in the second half of the year and a steady recovery in overall consumer electronics demand, profitability has grown compared to the previous year, resulting in changes of over 20% in return on assets, return on equity, ratio of pre-tax income to share capital, net profit margin, earnings per share, degree of operating leverage, and financial leverage.
2. Due to the positive outlook on the future prospects of the memory market, the Company continues to increase low-priced inventory, resulting in overall changes of more than 20% in quick ratio, inventory turnover, and average inventory turnover days.
3. The construction and improvement of the office in the Neihu building have led to a decrease in turnover rates for real estate, factories, and equipment compared to the previous year.

(II) Financial analysis of the last five years (consolidated)

1. IFRS

Analysis item \ Year		Financial analysis of the last five years (Note 1)					The current year up to March 31, 2024 (Note 4)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt ratio	66.89	65.80	61.39	64.85	65.16	-
	Long-term fund to property, plant and equipment	290.75	316.64	350.26	249.51	264.69	-
Liquidity (%)	Current ratio	164.06	138.55	145.07	175.93	144.43	-
	Quick ratio	99.97	78.02	76.61	108.44	57.18	-
	Times interest earned	4.44	13.32	20.54	4.22	4.05	-
Management capabilities	Receivables turnover (times)	8.75	9.62	8.86	7.29	7.55	-
	Average collection days	41.70	37.94	41.20	50.07	48.34	-
	Inventory turnover (times)	5.37	4.43	4.09	3.77	2.54	-
	Payables turnover (times)	9.91	8.09	13.91	8.52	9.55	-
	Average inventory turnover days	67.97	82.39	89.24	96.81	143.70	-
	Property, plant and equipment turnover (times)	4.56	6.19	8.01	4.70	3.39	-
	Total assets turnover (times)	1.07	1.22	1.30	1.02	0.84	-
Profitability	ROA (%)	3.24	5.62	8.18	3.36	4.99	-
	Return on equity (%)	8.47	16.47	22.60	7.49	10.60	-
	Pre-tax profit to paid-in capital ratio (%)	27.94	83.52	124.14	40.57	66.75	-
	Net margin (%)	2.45	4.22	5.96	2.54	4.44	-
	Earnings per share (NT\$) (Note 2)	1.90	6.10	9.14	3.19	5.21	-
Cash flows	Cash flow ratio (%)	(Note 3)	6.56	(Note 3)	48.23	(Note 3)	-
	Cash flow adequacy ratio (%)	50.86	34.74	28.99	49.98	(Note 3)	-
	Cash reinvestment ratio (%)	(Note 3)	2.70	(Note 3)	13.22	(Note 3)	-
Leverage	Operating leverage	14.51	1.88	1.89	4.16	2.35	-
	Financial leverage	(1.49)	1.09	1.08	1.91	1.57	-

Note 1: The Company's financial statements have been audited or reviewed by an independent auditor.

Note 2: EPS (loss per share) is calculated using the weighted average number of outstanding shares during the year, and retroactive adjustments are made for new shares from capitalization of profits, capital surplus, or employee bonuses.

Note 3: Cash flow ratio and cash reinvestment ratio were not listed because cash flow from operating activities was a net negative or negative after deducting cash dividends.

Note 4: As of the date of report, 2024 Q1 data audited by the accountants have not been disclosed. Hence, the figures for this quarter are not disclosed in accordance with the table in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

Please provide the reasons for changes in financial ratios in the most recent two years. (analysis not required if the change does not reach 20%).

1. Benefiting from gradually increasing product quotations in the second half of the year and a steady recovery in overall consumer electronics demand, profitability has grown compared to the previous year, resulting in changes of over 20% in return on assets, return on equity, ratio of pre-tax income to share capital, net profit margin, earnings per share, and degree of operating leverage.
2. Due to the positive outlook on the future prospects of the memory market, the Company continues to increase low-priced inventory, resulting in overall changes of more than 20% in quick ratio, inventory turnover, and average inventory turnover days.
3. The subsidiary increased the acquisition of related fixed assets and conducted improvements for the construction of the Neihu office building to meet production and operational needs, resulting in an increase in real estate, factories, and equipment, which led to a decrease in the turnover rate of real estate, factories, and equipment compared to the previous year.

The formula for financial analysis is as follows (IFRS):

1. Financial structure

- (1) Debt-to-asset ratio = total liabilities / total assets.
- (2) Long-term fund to property, plant and equipment ratio = (total equity + non-current liabilities) / net amount of real estate properties, plants and equipment.

2. Liquidity

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.
- (3) Time interest earned = net income before income tax and interest expense / current interest expense.

3. Management capabilities

- (1) Receivables (including accounts receivable arising from operation notes receivable) turnover ratio = net sales / average receivables (including accounts receivable arising from operation notes receivable) balances.
- (2) Average collection period = 365 / receivables turnover.
- (3) Inventory turnover ratio = cost of goods sold / average amount of inventory.
- (4) Payable (including accounts payable arising from operation notes payable) turnover ratio = cost of goods sold / average payables (including accounts payable arising from operation notes payable) balances.
- (5) Average days of sales = 365 / inventory turnover.
- (6) Real estate, plant, and equipment turnover ratio = net sales / average net for real estate, plant, and equipment.
- (7) Fixed assets turnover = net sales / average gross assets.

4. Profitability

- (1) Return on assets = [net income + interest expense (1 – tax rate)] / average total assets.
- (2) Return on equity = income after tax / net average equity.
- (3) Net margin = net income / net sales.
- (4) EPS = (income belonging to owner of parent company - stock dividend of preferred stocks) / weighted average number of issued shares.

5. Cash flows

- (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years.
- (3) Cash reinvestment ratio = (net cash flows from operating activities – cash dividend) / (gross margin of property, plant and equipment + long-term investment + other non-current assets + working capital).

6. Leverage:

- (1) Operating leverage = (net operating income – variable operating cost and expenses) / operating income.
- (2) Financial leverage = operating profit / (operating profit - interest expense).

III. Audit Committee's review report in the most recent year

Audit Committee's Review Report

We have reviewed the 2023 Business Report and earnings distribution sent by the Board of Directors, as well as the financial statements and consolidated financial statements that were audited and certified by CPAs Huang, Shih-Chun and Yu, Chih-Fan from PwC Taiwan, and did not find any inconsistencies. We have thus prepared this report in accordance with Articles 14-4 and 14-5 of the Securities and Exchange Act and Article 219 of the Company Act.

To

ADATA Technology's Annual Shareholders' Meeting 2024

Audit Committee of ADATA Technology Co., Ltd.

Convener of the Audit Committee: Hu, Yao-Jen



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- IV. Financial statements for the most recent year: Please refer to Appendix 1 on pages 163 to 287 of the Annual Report for details.
- V. Financial statements of the parent company for the most recent year audited by the CPA: Please refer to Appendix 2 on pages 288 to 394 of the Annual Report for details.
- VI. The impact of the financial difficulties of the Company and affiliated companies, if any, on the Company's financial position in the most recent year and as of the date of report: N/A.

Seven. Discussion and analysis of financial standing and financial performance and risks

I. Financial position

Unit: NT\$ thousand

Item \ Year	2023	2022	Difference	
			Amount	Percentage (%)
Current assets	26,043,961	18,514,731	7,529,230	40.67
Property, plant and equipment	10,056,361	9,826,204	230,157	2.34
Intangible assets	506,968	700,275	(193,307)	(27.60)
Other Assets	8,042,482	6,887,101	1,155,381	16.78
Total Assets	44,649,772	35,928,311	8,721,461	24.27
Current liabilities	18,031,640	10,523,978	7,507,662	71.34
Non-current liabilities	11,063,270	12,776,486	(1,713,216)	(13.41)
Total liabilities	29,094,910	23,300,464	5,794,446	24.87
Share capital	2,959,654	2,674,264	285,390	10.67
Capital surplus	7,364,360	5,788,831	1,575,529	27.22
Retained earnings	5,489,732	4,588,572	901,160	19.64
Other equity	(1,227,224)	(1,065,058)	(162,166)	15.23
Total shareholders' equity	15,554,862	12,627,847	2,927,015	23.18

Reasons for changes in the most recent two years:

- (1) Intangible assets decreased by NT\$193,907 thousand compared to 2022, primarily due to a reduction in the assessed economic benefits from specialized technology in intangible assets. A loss of NT\$141,653 thousand was recognized in the 2023.
- (2) Current assets increased by NT\$7,529,230 thousand, total assets increased by NT\$8,721,461 thousand, and current liabilities increased by NT\$7,507,662 thousand. This was mainly due to the Group's positive outlook on the memory market's future prospects and preparedness for demand feedback, resulting in increased inventory this year. Additionally, there was an increase in current liabilities due to capital purchases for materials.
- (3) The increase in total capital reserves and shareholders' equity was mainly due to the distribution of 2022 earnings and profits from continued operating growth.

II. Financial Performance

(I) Financial Performance

Unit: NT\$ thousand; %

Item \ Year	2023	2022	Increase (Decrease)	
			Amount	Percentage of change (%)
Net operating revenues	33,684,782	34,926,941	(1,242,159)	(3.56)
Operating costs	28,026,847	30,536,995	(2,510,148)	(8.22)
Operating margin	5,657,935	4,389,946	1,267,989	28.88
Operating expenses	3,882,978	3,682,724	200,254	5.44

Item \ Year	2023	2022	Increase (Decrease)	Percentage of change (%)
Operating net profit	1,774,957	707,222	1,067,735	150.98
Non-operating income and expense	200,728	377,747	(177,019)	(46.86)
Profit before tax	1,975,685	1,084,969	890,716	82.10
Reported taxes	481,410	199,382	282,028	141.45
Current period net profit	1,494,275	885,587	608,688	68.73
Other comprehensive income (net after tax)	49,426	223,330	(173,904)	(77.87)
Total comprehensive income	1,543,701	1,108,917	434,784	39.21

1. Reasons for changes in the most recent two years:

- (1) Due to the rebound in inventory quotations in the second half of 2023, the operating gross profit for the year increased by NT\$1,267,989 thousand, and the operating profit increased by NT\$1,067,735 thousand.
- (2) Non-operating income and expenses decreased by NT\$177,019 thousand compared with 2022. Due to the increase in short-term borrowings and notes payable due to the demand for funds to purchase materials, financial costs increased by NT\$310,620 thousand.
- (3) The increase in operating net profit, pre-tax profit, current period net profit, and income tax expense was mainly due to the 2023 inventory and shipping management policy and the growth in gross margin compared to 2022, leading to overall profits increasing compared to 2022.

2. Reason for changes in the Company's main business, if any material changes to the business policy, market conditions, economic environment, or other internal and external factors have already occurred or are expected to occur, describe the facts and potential impact on the Company's future financial position and business performance, as well as response plans: There were no material changes and potential impacts as of the date of report.

3. Projected sales in the coming year and its basis, and the main factors for the continued growth or decline of sales:

After the end of the COVID-19 era in 2023, all industries are gradually recovering. In 2024, with the strong development of the AI industry chain and applications driven by Nvidia, Intel also launched METOR LAKE's first-generation AI PC in the consumer market. Additionally, Intel and AMD continue to launch new generations of platforms for various applications, including gaming laptops, desktops, servers, mobile devices, tablets, industrial computers, and more. This includes devices such as memory modules, solid-state storage, memory cards/discs, portable hard drives, etc., moving towards newer, faster, and larger developments. Demand for LED lighting and smart homes continued to grow due to new energy-saving marks and smart energy-saving systems; the development of brand image; continued expansion of branches and distribution channels; and growth in new product lines and optimization of the overall product portfolio are all factors that will drive the continued growth of the Company's overall sales volume. This year, we will also see the growth of mobile devices drive the growth of power banks and peripherals. We are also developing the industrial control applications market in Europe, Italy, and Japan, as well as embedded products and AIoT related fields.

(II) Analysis of changes in gross profit

Unit: NT\$ thousand

Item	Amount of change	Reason for difference		
		Price difference	Cost difference	Quantity difference
DRAM products	345,061	(24,122,614)	22,030,781	2,436,894
Flash products	907,024	(3,430,800)	3,961,732	376,092
Other	15,905	1,203,158	(1,058,640)	(128,613)
Total	1,267,990	(26,350,256)	24,933,873	2,684,373
Description:				
(1) Price difference and cost difference: Compared to the previous year, the overall DRAM and NAND Flash product prices and costs have relatively declined in 2023; the prices of other products have increased, so there is unfavorable price difference overall of NT\$1,416,383 thousand.				
(2) Quantity difference: Although the overall DRAM and NAND Flash product sales have relatively increased in 2023 compared to the previous year, the sales of other products have declined, so there is favorable quantity difference overall with a value of NT\$2,684,373 thousand.				

III. Cash flows

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

Unit: NT\$ thousand

Cash balance, beginning (1)	Net cash inflow from operating activities (2)	Cash inflow (outflow) for the entire year (3)	Cash surplus (shortage) (1)+(2)+(3)	Remedial measures for cash deficit	
				Financing plans	Financial plan
5,144,994	(5,230,011)	4,012,173	3,927,156	-	-

(1) Operating activities: The cash outflow was mainly due to the increase in inventory and interest payment.

(2) Investing activities: The cash outflow was mainly due the acquisition of real-estate and equipment, pre-payment of equipment, and acquisition of financial assets.

(3) Financing activities: The cash inflow was mainly due the increase in short-term borrowings, decrease in earnings distribution cash dividends compared to the previous period, and cash capital increase in 2023.

(II) Liquidity analysis and improvement plan for insufficient liquidity

Item \ Year	2023	2022	Percentage of increase (decrease) (%)
Cash flow ratio	Note 1	48.23%	-
Cash flow adequacy ratio	Note 1	49.98%	-
Cash reinvestment ratio	Note 1	13.22%	-
(1) Analysis of changes: N/A.			
(2) Improvement plan for insufficient liquidity: N/A.			
Note 1: Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio were not listed because cash flow from operating activities was a net negative or negative after deducting cash dividends.			

(III) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Cash balance, beginning (1)	Net cash inflow from operating activities (2)	Cash inflow (outflow) for the entire year (3)	Cash surplus (shortage) (1)+(2)-(3)	Remedial measures for cash deficit	
				Financing plans	Financial plan
3,927,160	3,006,349	(2,772,540)	4,160,969	-	-

(1) Operating activities: The cash inflow was mainly due to expectations for steady revenue and profit in 2024.

(2) Investing activities: The cash outflow was mainly due to the plan for subsidiary cash capital increase in 2024.

(3) Financing activities: Cash outflow is mainly due to the plan to repay loans in 2024.

IV. Effect of major capital spending on financial position and business performance

(I) Status of major capital expenditures and source of funds

Consolidated financial statements plan	Actual or expected bank borrowings	Actual capital use (2023)
Investee company	Self-own funds and bank borrowings	NT\$503,730 thousand
Acquisition of property and equipment	Self-own funds and bank borrowings	NT\$572,404 thousand

(II) Expected benefits

Investments increased for diversification and due to the recognition of profits from investee companies.

V.Reinvestment policy in the most recent year, main reason for profit or loss, improvement plan, and investment plan for the coming year:

The Company's investments are all long-term strategic investments. Profits from affiliates and joint ventures recognized under the equity method in the consolidated financial statements was NT\$574,663 thousand in 2023. In the future, the Company will continue to make long-term strategic investments in principle, and will continue to carefully evaluate investment plans. After gaining a steady lead in the memory industry, the group expanded to electric motors, biotechnology, and sports lottery.

VI. Risk assessment for the most recent year and up to the date of report

(I) Impact of interest rate and exchange rate changes and inflation on Company's profit and response measures

1. Impact of interest rate changes on the Company's profit and response measures

Unit: NT\$ thousand; %

Item\Year	2023
Interest expenses (1)	647,336
Operating revenue (2)	33,684,782
Net operating profit (losses) (3)	1,774,957
(1) / (2)	1.92%
(1) / (3)	36.47%

Source: Consolidated financial statements audited or reviewed by an independent auditor

The increase in interest expenses was due to interest rate rises. However, the Company still regularly evaluates its cash position and the bank's interest rates, and chooses low interest rate loans and extends the loan period, carefully deciding how it raises funds to obtain more desirable interest rates. Hence, interest rate fluctuations do not have a material impact on the Company.

2. Impact of exchange rate changes on the Company's profit and response measures

Unit: NT\$ thousand; %

Item\Year	2023
Exchange gain (loss) (1)	162,475
Operating revenue (2)	33,684,782
Net operating profit (losses) (3)	1,774,957
(1) / (2)	0.48%
(1) / (3)	9.15%

Source: Consolidated financial statements audited or reviewed by an independent auditor

The Company had exchange gains in the amount of NT\$162,475 thousand in 2023, which accounts for 0.48% of operating revenue and 9.15% of net operating profits. Since the Company periodically examines its exposure and engages in hedging in a timely manner to avoid exchange rate risks, there is no significant impact on operating revenue. The Company collects information on international finance, exchange rates, and interest rates from banks it does business with, in order to monitor trends in exchange rates and take the following hedging measures:

- (1) Negotiate with suppliers to pay in foreign currencies and use foreign currencies received to pay suppliers, offsetting the losses and gains caused by exchange rate fluctuations.
- (2) Open a foreign currency account and decide on the timing for settlement, payment for purchases, and repayment of foreign currency loans based on fund requirements and exchange rate fluctuations.
- (3) Sell foreign currency assets when there is high volatility in exchange rates to ensure profits from exports.
- (4) Take exchange rate fluctuations into consideration when providing quotations to customers to ensure the Company's reasonable interests.

3. Impact of inflation on the Company's profit in the most recent years and response measures

CPI was 106.59% in December 2023, and annual increase in CPI averaged 2.5%, so inflation risk is still within an acceptable range. Hence, there is no material impact on the Company's operations and profits.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

1. Engaging in high risk, high leverage investments: The Company mainly engages in R&D, manufacturing, and sales, and does not engaging in high risk, high leverage investments.

2. Lending to others, endorsements, and guarantees: For the Company's loans, endorsements, and guarantees provided to others in accordance with the "Procedures for Extending Loans to Others" and "Procedures for Endorsements and Guarantees" as of the date of report. please see the table in Appendix 1 for details.
3. Derivatives transactions: Handled in accordance with the Company's "Procedure for the Acquisition or Disposal of Assets" and "Regulations for Authority to Approve Derivative Transactions." The Company's derivatives transactions are only for hedging exchange rate risks from its operations and financing, and the foreign currencies it holds must match the foreign currencies used for actual import and export transactions. Transactions for others purposes must be carefully evaluated and approved by the supervisor with authority before being conducted.

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

The Company's R&D is based on the principles of innovation and diversification. The Company was mainly in the business of memory modules when it was founded in 2001, and it formally entered the flash memory business in July 2002. The Company entered the multimedia products business in November, entered the USB 2.0 external hard disk market in 2009, and entered the industrial computer flash storage module market in 2010. The Company formally established the Automotive Products Business Department in 2017, and invested in the electric vehicle industry that is currently trending. In addition to high power density air-cooled and water-cooled motors and controllers, the Company plans to develop complete power modules and vehicle control systems. The Company launched the SX8200Pro PCIe Gen3x4 M.2 2280 SSD in 2019, which received good reviews and was recommended by numerous professional media around the world, leading to the product's continued popularity. Our high performance e-sports products brand XPG has also been innovating and received acclaims for its all-around e-sports products. As of the date of report, the Company continues to develop even more products in these five major product lines. R&D results in recent years and future plans are as follows:

1. R&D results in the past year

- (1) Memory modules: XPG has launched 5 gaming products, including a product in collaboration with ROG. Leveraging its exceptional product cooling capabilities, it adopts a slim design that eliminates the need for height considerations when assembling coolers, making it versatile in appearance when paired with various types of chassis. The product speed ranges from 5600MT/s to 8000MT/s, offering a variety of options with capacities of 16GB, 24GB, and 32GB to meet market demands. Integrated with Intel's 14th generation desktop and laptop support, achieving stable performance at speeds exceeding 8000MT/s. The LANCER ROG CERTIFIED model, in collaboration with ROG, undergoes specialized tuning. With a frequency of 6600MT/s, enabling the "ROG Certified" mode can overclock it to 6800MT/s when paired with ROG motherboards, delivering unparalleled gaming performance. This showcases ADATA's research and development capabilities, efficiency in time to market, and market awareness. In terms of industrial-grade memory modules, the Company launched the JEDEC 5600MT/s R-DIMM/ECC U-DIMM/ECC-SODIMM. In addition, DDR5 5600MT/s U-DIMM/SO-DIMM is also supported for wide-

temperature resistant series products. For the commercial market, we launched commercial products, including DDR4 3200MT/s and DDR5 4800/5200/5600MT/s U/SO-DIMM products. For XPG e-sports overclocking products, we continue to promote 8000MT/s or more, low latency products. In terms of product planning under the new specifications, LPCAMM2, CKD, and CXL2.0 memory modules have also completed ES designs and were showcased at 2023 Computex.

- (2) External SSD products: Continue to develop and launch the USB4.0 interface, featuring a unique cooling system with an integrated miniature fan. The fan is activated by pressing the body during use, increasing internal heat dissipation space and rapidly expelling heat. The pressed body has a reduced size, making it easy to carry. The uniquely designed "active patented cooling" reduces temperatures by 10% compared to fanless products of the same specifications, achieving a maximum transmission speed of up to 3,800MB/s. It can transfer a 10GB 4K high-definition video in around 3 seconds.
- (3) Flash memory SSD: Collaborated with controller companies in developing next-generation 3D QLC, TLC, MLC flash memory and developed 2.5" SATA and PCIe SSDs with an m.2 interface, from 4th-generation PCIe to 5th-generation PCIe consumer SSD equipped with a crystal growth heat sink with high cooling performance, Meets the needs for massive data and edge computing in 5G, IoT, AI and other smart systems. For industrial control applications, eTLC 3D flash memory is used, PCIe Gen3, Gen4, and SATA 2.5" products with low latency, high DWPD, and large capacities are introduced. Additionally, products with 112-layer 3D TLC flash in Half-Slim and mSATA interfaces for high reliability in SATA products are also introduced. Leveraging ADATA's developed technologies such as Security, Stability, Ruggedness, Migration, and customized firmware services, coupled with A+ OPAL SSD encryption software, ensures reliability, uniqueness, and security of data in industrial-grade applications.
- (4) Solid state lighting device (LED): Continues to develop high luminous efficacy lighting products that meet energy efficiency requirements, which are mainly used for the Bureau of Energy's policy to conserve energy via advanced lighting and corporate ESG sustainable development.
- (5) Power bank: The full series of power bank products have fast charging functions with 2.1A to 3A output, which charges devices 2-3 times faster than common 1A power banks in the market. Has six smart protection mechanisms, including over-charge protection, over-discharge protection, over-heating protection, short-circuit protection, over voltage protection, and over current protection, providing consumers with greater safety when using power banks. We also developed products that meet industrial specifications for shock resistance/dust proof/water resistance.
- (6) Power bank: The UC310-ECO is launched with environmental protection in mind. Its outer casing is made from a minimum of 35% PCR (Post-Consumer Recycled) material, effectively reducing carbon emissions. The manufacturing process

significantly reduces CO2 emissions, lowers water and energy waste, and contributes to promoting a circular economy.

*PCR material refers to items discarded by consumers after use, which are recycled, classified and processed and then reused as new raw materials. For example, transparent water bottles, headlight housings, and other recycled plastics.

2. Current progress of ongoing R&D projects:

With Intel's new generation platform fully supporting DDR5 and AMD following suit, the market expects DDR5 to surpass DDR4 as the mainstream this year. Additionally, the AI PC trend is expected to further boost DDR5's market share.

The sales proportion of DDR4 gaming products is gradually declining, but for existing customers and consumer groups, there is a focus on designing models that are more stylish with competitive pricing/specifications. For DDR5 gaming products, a high-end product line will be introduced, featuring the industry's only DDR5 large-area lighting product with 60% of the surface area lit. The ROG collaboration model has been further developed to achieve frequencies of 7200MT/s, which can be overclocked to 7600MT/s when "ROG Certified" mode is activated.

This year, there will be more products focusing on new specifications for desktops, laptops, and servers, including the development of server CXL2.0 Memory Modules and MR-DIMM Memory Modules. Additionally, there will be the use of LPCAMM2 memory modules for next-generation notebooks and DDR5 6400MT/s CSODIMM memory modules.

In terms of testing software development, we will focus on developing new test algorithms for DDR5 to improve test efficiency and test coverage, and continue to research and optimize designs to meet higher-speed product testing needs in the future. In addition, an automated test system for DDR5 IC/Module level has also been introduced.

Our SSD product line is using fifth-generation PCIe product design, thus becoming the only high speed SSD product that can be used in high speed gaming this year. For system integration SSD, we will also cooperate with manufacturers to develop high-performance UFS embedded products and corporate-grade SSD to meet the needs of applications such as mobile phone communications, tablet computers, AR/VR, and servers. In terms of SSDs for industrial control, for traditional industrial applications using mSATA and M.2 SATA interfaces, new products are being introduced with power loss protection functionality together with mainstream 112-layer 3D TLC flash, along with data protection technologies such as ECC, RAID, End to End Protection, etc., making SSD products more competitive. Additionally, in response to trends such as 5G network communications, AI, edge computing, servers, data centers, etc., industrial-grade entry-level and professional-grade PCIe Gen4x4 M.2/U.2 interface SSDs will be launched. These will be paired with A+SMART value-added software development to meet the demands for high speed, high performance, high capacity, and high durability.

In addition to high power density air-cooled and water-cooled motors and controllers, the Automotive Products Division plans to develop a complete power module and vehicle control system, including high power motor, high current MCU, VCU for two-wheeled and three-wheeled and above vehicles, and integrated three-in-one power module. We will also step up the development of corresponding firmware, and complete MCU firmware that can achieve highly customized driving behavior. We will also provide customers with a diagnosis interface for production and testing, in order to meet customer needs and provide better customer services.

3. Additional R&D expenditure required and expected time to mass production

The amount of resources invested in R&D will significantly increase due to the growing diversity of our products. The high speed DDR modules we have been actively developing are already leading indicators for the industry, and have received good reviews from all users. We have accumulated a considerable amount of new product development technologies and product styles for flash memory products and multimedia products. Yet, we must continue to implement R&D projects for the development of new digital products in response to the trend of digitalization, in order to maintain our long-term competitiveness.

We continue to direct our efforts to industrial design of consumer electronics products, in order to improve the exterior design and quality of products. We have also strengthened electronics and mechanism design and verification, and opened new molds for product mechanisms.

We expect to invest another NT\$594,297 thousand in R&D expenditure in 2024, in hopes of offering greater diversity, more functions, and more complete product lines to enhance our product competitiveness and brand value, so that we can increase our market share and meet the different needs of our customers.

4. Main factors that affect the future success of R&D

The Company's main products include memory modules, flash memory products, and multimedia products. Due to the wide scope of product applications that are an integral part of daily life to consumers, our R&D focuses on function design and exterior design, in order to set ourselves apart from other products in the market and gain greater product competitiveness. Therefore, main factors that affect the future success of R&D include the collection of correct information on market trends, product function and exterior design, trends in industry standards, acquisition of key parts and components, and control over R&D progress.

(IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

The Company's daily operations are in compliance with domestic and foreign laws and regulations. We monitor trends in domestic and foreign policies, as well as regulatory changes, and collect information for management to reference when making decisions. We also consult professionals to make timely adjustments to our business strategies.

So far changes in important domestic and foreign policies and laws have not had a material impact on the Company's financial position and business operations.

(V) The effect of changes in technologies (such as information security risks) and the industry on the Company's financial position and business operations, and response measures

In response market demand and the impact of technological changes, we have not only diversified our product lines, but are also actively recruiting professionals from around the world to develop new products and technologies, so as to keep up with the products and technologies of multinational corporations. Hence, technological changes do not have a material negative impact on the Company's financial position and business performance.

In recent years, information security risks have increased significantly, and information security incidents have frequently occurred both domestically and internationally. In response, the Company has also strengthened information security-related matters. In addition to the continuous introduction of the latest information security defense technology and an information security management system, the Company also strengthened the resilience management of its information system. Such actions can help immediately resume the

information system operations after an information security incident, and significantly reduce interruptions to the operations of the information system. Therefore, there should be no significant adverse impact on the Company's financial business from information security risks.

(VI) Impact of change in corporate image on risk management and response measures

ADATA believes in giving back to society. Besides providing many employment opportunities every year, we are also enthusiastic about charity. The Company won Best Companies to Work for in Asia and the Asia Responsible Enterprise Awards for several consecutive years, and was also recognized by Taipei City as a two-star "Happy Enterprise." In addition to the irregular fundraiser and charity sale held inside the Company, we encourage employees to pool their resources and give back to society by making donations to orphanages, children welfare organizations, and nursing homes. We also have a long history of working with domestic and international social welfare organizations to promote educational programs for young children, school-age children and the youth, and have successfully helped nearly 10,000 children. Additionally, the Company also actively sponsors various sports events and e-sports teams. We also established the "Hummingbird Fund" to sponsor young athletes in rural schools with sports equipment, in order to promote the development of sports activities in Taiwan. If an issue occurs that will impact our operations or company image, senior executives will immediately take response measures, issue statements for clarification, and maintain information transparency and open communication to prevent misunderstandings and rumors that may hurt our company image.

(VII) Expected benefits and potential risks of merger and acquisition and response measures: N/A.

(VIII) Expected benefits and potential risks of capacity expansion and response measures: N/A.

(IX) Risks associated with over-concentration in purchases or sales, and response measures:

With consideration to the safety stock, level of cooperation in delivery time, and strategic procurements, the Company's top supplier accounted for 23.33% and 30.81% of purchases in the past two years. The supplier is a well-known DRAM/Flash IC manufacturer, and directly buying from the supplier provides a stable source of supply for a wide variety of products. Hence, our top supplier accounted for a relatively high percentage of purchases. However, with consideration to risks, we still maintain the policy of purchasing our main raw materials from multiple suppliers. This ensures competitive prices and sufficient sources of supply, giving us flexibility in raw materials purchases while lowering the risk of over-concentration in purchases.

The Company and subsidiaries included in the consolidated financial statements sell goods to a large number of customers, and among the top ten customers in the past two years, only one customer accounted for 6.71% of sales in 2023. Hence, this risk is relatively low.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company and response measures: There was no mass transfer or equity or such changes in 2023 and up to the date of report.

(XI) The effect of changes in management right on the Company and response measures: There were no changes in management right in 2023 and up to the date of report.

(XII) For litigious and non-litigious events, if the result of major litigious, non-litigious events, or administrative disputes, either concluded or ongoing, involving the company and its directors, supervisors, president, de facto responsible person, major shareholders with more than 10% shares, or subsidiaries may have a material impact on shareholders' equity or stock prices, disclose the facts in contention, amount, start date of litigation, main parties involved, and progress up to the date of report: None.

(XIII) Other significant risks and countermeasures: None.

VII. Other material matters

The methods and assumptions used by the Company for estimating the fair value of financial products are as follows:

1. The financial instruments within this group that are not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost - current, notes receivable, accounts receivable, other receivables (including related parties), financial assets measured at amortized cost - non-current, deposits for guarantees, short-term borrowings, payable short-term notes, notes payable, accounts payable (including related parties), other payables, lease liabilities (current/non-current), long-term borrowings (including those due within one year), and the book value of deposits is a reasonable approximation of fair value.
2. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks, and fair value level of the asset or liability. Please see Note 12 (3) of the 2023 consolidated financial statements for information on fair value.
3. The fair value of long-term borrowings is estimated based on the present value of expected cash flow. The discount rate is based on the interest rate of long-term borrowings that the Company can obtain with similar terms (similar maturity date).
4. If there prices in an active market for derivative financial products, then the fair value is the amount that can be obtained or must be paid by the Company on the date of report if the Company terminates the contracts. If no market prices are available, then a valuation method is used. Estimates and assumptions used by the Company are the same estimates and assumptions used by market participants when setting prices for financial products, and the information is accessible to the Company.
5. The Company does not use hedging accounting for financial products.

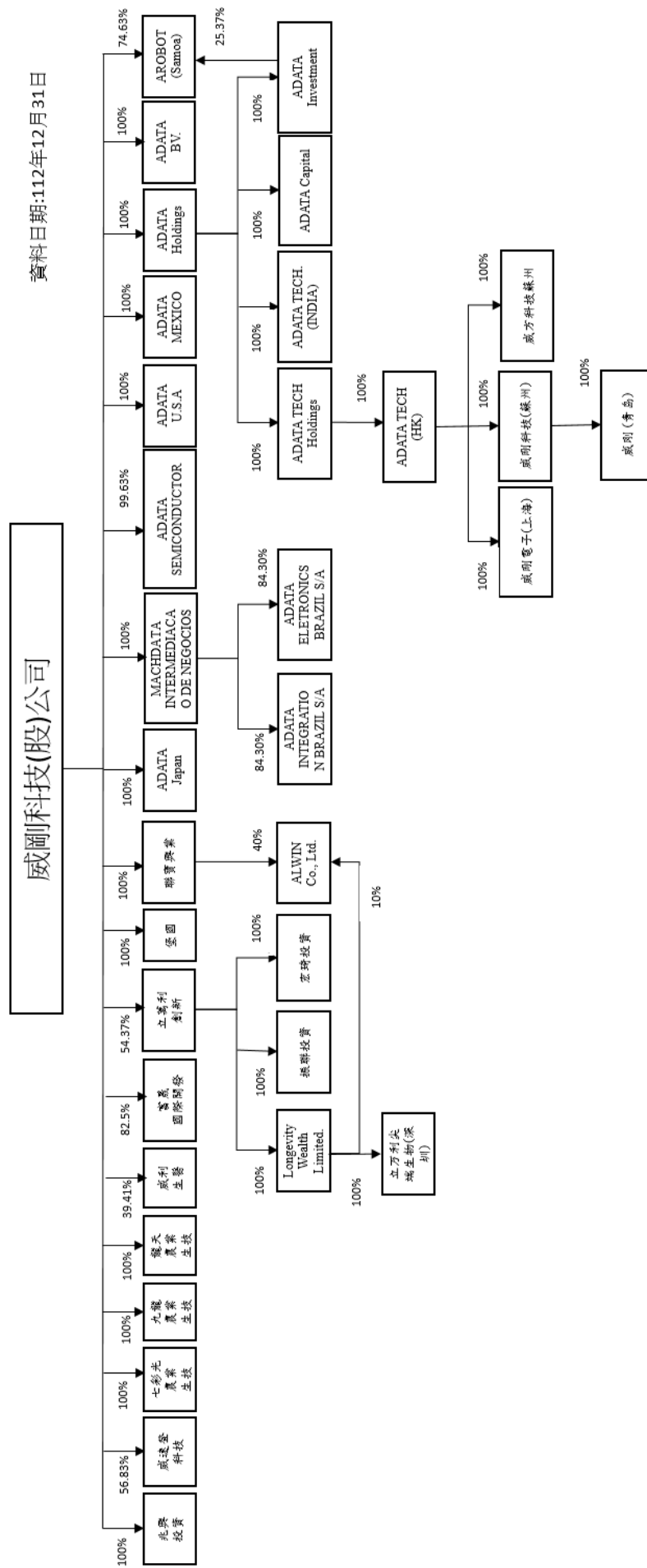
Eight. Special notes

I. Profiles of affiliates enterprises

(I) Consolidated business report:

1. Overview of affiliated enterprises

(1) Organizational chart of affiliated enterprises:



- Companies with a controlling and subordinate relation concluded in accordance with Article 369-3 of the Company Act: N/A.
- Subordinate companies that the Company has direct or indirect control over the management of personnel, financial or business operations in accordance with Article 369-2 of the Company Act: The Company owns 39.41% of the outstanding shares of Weili Health Medical Technology Co., Ltd. Since the president of this company is appointed by the Company, it is a subsidiary of the Company according to the provisions in Article 369-2 of the Company Act.

(2) Information on affiliated enterprises

Name of enterprise	Date of Establishment	Address	Paid-in capital		Main business and products
Liwanli Innovation Co., Ltd.	1991.6.14	4F, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	834,110,410	Trading of electronic materials, parts, and components and sales of biotechnology products.
ADATA TECHNOLOGY (HK) CO., LTD.	2001.08.20	Unit No.11&12, 6/F, Block A, Focal Industrial Center, No. 21 Man Lok Street, Hung Hom, Kowloon, Hong Kong, China	HKD	449,376,284	Trading of electronic materials, parts, and components.
Zhao-Xing Investment Co., Ltd.	2001.12.21	18F-6, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	1,300,000,000	General investment.
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	2002.08.16	880 Columbia St., Brea, CA 92821 U.S.A.	USD	2,200,000	Trading of electronic materials, parts, and components.
ADATA Electronics (Shanghai) Co., Ltd.	2003.01.22	Room 202, No. 7, Lane 268, Shenhong Road, Minhang District, Shanghai, China	USD	4,000,000	Trading of electronic materials, parts, and components.
ADATA HOLDINGS CO., LTD.	2003.05.19	The Aall Bldg., 8 North Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies	USD	79,937,598	General investment.
ADATA Technology (Suzhou) Co., Ltd.	2004.01.07	No. 28, Xinfu Rd., East of Loufeng District, Suzhou Industrial Park	USD	40,000,000	Manufacturing and sale of electronic parts and components and computer peripherals.
Zhenlian Investment Co., Ltd.	2006.09.28	9F, No. 220, Songjiang Rd., Zhongshan Dist., Taipei City	NTD	67,000,000	General investment.
Hongqi Investment Co., Ltd.	2006.10.02	9F, No. 220, Songjiang Rd., Zhongshan Dist., Taipei City	NTD	70,000,000	General investment.
ADATA TECHNOLOGY B.V.	2006.11.01	A.J. Ernststraat 595 D-1, 1082 LD Amsterdam, The Netherlands.	EUR	300,020	Trading of electronic materials, parts, and components.
Advanced Data Technology (Suzhou) Co., Ltd.	2007.05.10	No. 28, Xinfu Rd., East of Loufeng District, Suzhou Industrial Park	USD	19,028,450	Manufacturing and sale of electronic parts and components and computer peripherals.
ADATA TECHNOLOGY HOLDINGS CO., LTD.	2007.08.21	Offshore Incorporation (Cayman) Limited, Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman	USD	57,928,317	General investment.
ADATA INVESTMENT CO., LTD.	2010.06.10	OffshoreChambers,P.P.Box217,Apia,Samoa	USD	4,486,944	General investment.
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	2008.09.10	OFFICE NO.801, 8TH FLR, A WING, LOTUS CORPORATE PARK, W.E. HIGHWAY, GOREGAON-E, MUMBAI-400063	INR	20,405,500	Sale of electronic parts and components and computer peripherals.
ADATA CAPITAL COMPANY LIMITED	2010.06.25	Offshore Chambers, P.O.Box 217, Apia, Samoa Offshore Chambers,P.O.Box 217,Apia,Samoa	USD	3,450,322	General investment.
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	2012.01.10	ALAMEDA BARROS 95, SANTA CECILIA, CEP 01232-001, SAO PAULO-SP, BRASIL	BRL	205,983,626	Trading of electronic materials, parts, and components.
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	2012.10.26	2F-1, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	760,000,000	Cultivation of cordyceps and farm related businesses.
Jiou Long Agricultural Biotechnology Co., Ltd.	2012.12.12	2F-1, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	183,000,000	Cultivation of cordyceps and farm related businesses.
Long Tian Agricultural Biotechnology Co., Ltd.	2012.12.12	2F-1, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD	776,000,000	Cultivation of cordyceps and farm related businesses.
ADATA TECHNOLOGY (JAPAN) CO., LTD.	2014.08.20	9F PROSTECH AKIHABARA 6-13-10 Soto Kanda Chiyoda-ku Tokyo-to 101-0021 JAPAN	JPY	30,000,000	Trading of electronic materials, parts, and components.

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business and products
ADATA INTEGRATION BRAZIL S/A	2014.10.30	Rodovia SP 340, km 142.2 Condomínio Mantiqueira Parque Industrial Unidade 202 ,Santo Antônio de Posse ,Brazil	BRL 156,113,298	Design, manufacturing, and sales of semiconductor parts and components.
ADATA ELECTRONICS BRAZIL S/A	2014.10.30	Rodovia SP 340, km 142.2 Condomínio Mantiqueira Parque Industrial Unidade 202 ,Santo Antônio de Posse ,Brazil	BRL 62,645,056	Manufacturing and sales of electronic parts and components.
ADATA TECHNOLOGY MEXICO SDRL DE CV	2014.11.20	Calle de Berna No. 6, Piso 3 Col. Juárez, Delegación Cuauhtémoc C.P. 06600 México D.F. TEL : 011-52-55-55437427	MXN 4,100,000	Trading of electronic materials, parts, and components.
Weili Health Medical Technology Co., Ltd.	2014.12.15	16F-1, No. 258, Liencheng Rd., Zhonghe District, New Taipei City	NTD 20,300,000	Portal website operation.
ALLIED TREASURE INC. LIMITED	2015.07.18	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.	HKD 178,261,064	General investment.
AIWIN CO., LTD	2015.08.17	1F, Sanalele Mall, Serofeiu Street, Abia, Samoa	USD 10,000,000	R&D, sales, and manufacturing of headsets.
Longevity Wealth Limited	2015.07.15	UNIT P, 8TH FLOOR, KAISER ESTATE 3RD PHASE, NO 11 HOK YUEN STREET, HUNGHOK, KOWLOON, Hong Kong.	USD 3,020,000	General investment.
Jet Castle Limited	2015.09.10	Unit P, 8th Floor, Kaiser Estate 3rd Phase, No. 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong.	USD 1,500,000	General investment.
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	2017.03.10	Leve I, Central Bank of Samoa Building, Beach Road, Apia, Samoa.	USD 1,340,000	General investment.
Liwanni Advanced Biological Technology (Shenzhen) Co., Ltd.	2019.06.21	3501A-2, Building A, Kingkey Riverside Times Square, Xiasha Village, No. 9289, Binhe Road, Xiasha Community, Shatou Street, Futian District, Shenzhen	USD 2,000,000	Food wholesale and retail.
Awayspeed Technology Company Limited	2019.12.18	18F., No. 736, Zhongzheng Rd., Zhonghe Dist., New Taipei City	NTD 60,000,000	Electric tricycle sales.
ADATA Technology (Qingdao) Co., Ltd.	2020.07.02	Building No. 3B, Qingdao Oceanec Valley, Aoshanwei Sub-district, Jimo District, Qingdao City, Shandong Province, China	RMB 100,000	Manufacturing and sale of electronic parts and components and smart in-vehicle devices.
FULLSUNGLOBAL Development Co., Ltd.	2022.01.14	10F, No. 1125, Zhongzheng Rd., Taoyuan Dist., Taoyuan City	NTD 400,000,000	Venue leasing, cultural, educational, and creative products, and food and beverage sales.
ADATA SEMICONDUCTOR PRIVATE LIMITED	2023.05.10	No.9, VENKATARAMANGAM PILLAI, 1ST STREET, TRIPLICANE, Tiruvallikkeni, Chennai, Chennai-600005, Tamil Nadu	INR 1,080,000,000	Sale of electronic parts and components and computer peripherals.

(3) Information on identical shareholders of companies presumed to have control and subsidiary relationship: N/A.

(4) Industries covered by the operations of all affiliates and division of labor:

① Businesses operated by the Company and its affiliates include: Retail, manufacturing, and investment, see the "Main business and products" column in the table above.

② If the businesses of affiliates are related, describe the division of labor below:

A. The affiliated enterprises below manufacture electronics products:

* ADATA Technology (Suzhou) Co., Ltd.

- * Advanced Data Technology (Suzhou) Co., Ltd.
- * ADATA INTEGRATION BRAZIL S/A.
- * ADATA ELECTRONICS BRAZIL S/A
- * ADATA Technology (Qingdao) Co., Ltd.

B. The affiliated enterprises below sell electronics products:

- * ADATA TECHNOLOGY (HK) CO., LTD.
- * ADATA TECHNOLOGY (U.S.A.) CO., LTD.
- * ADATA Electronics (Shanghai) Co., Ltd.
- * ADATA TECHNOLOGY B.V.
- * ADATA TECHNOLOGY (INDIA) PRIVATE LTD.
- * MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.
- * ADATA TECHNOLOGY (JAPAN) CO., LTD.
- * ADATA TECHNOLOGY MEXICO SDRL DE CV
- * Liwanli Innovation Co., Ltd.
- * ADATA SEMICONDUCTOR PRIVATE LIMITED

C. The affiliated enterprises below sell biotechnology products:

- * Liwanli Innovation Co., Ltd.

(5) Information on directors, supervisors, and presidents of affiliates

Name of enterprise	Title	Name or representative	December 31, 2023; Unit: shares; %	
			Number of shares held	Shareholding (Investment Holding) ratio
Liwanli Innovation Co., Ltd.	Chairperson	Yishen Investment Co., Ltd. Representative: Chen, Li-Ching	3,551,578 shares	4.40%
	Directors	Yishen Investment Co., Ltd. Representative: Lin, Wan-Jing	3,551,578 shares	4.40%
	Directors	ADATA Technology Co., Ltd. Representative: Luo, Shi-Zhe Representative: Kao, Zhi-Qing	43,852,925 shares	54.37%
	Directors	Bao Da Investment Co., Ltd.: Representative: Chang, Wen-Yuan	240,098 shares	0.30%
	Independent director	You, Yu-Ming	-	-
	Independent director	Kc, Cong-Yuan	-	-
	Independent director	Luo, Yun-Ling	-	-
	Independent director	Hsu, Wen-Ru	-	-

Name of enterprise	Title	Name or representative	Number of shares held	
			Number of shares (Investment Amount)	Shareholding (Investment Holding) ratio
ADATA TECHNOLOGY (HK) CO., LTD.	Chairperson	Chen, Li-Pai	-	-
		ADATA TECHNOLOGY HOLDINGS CO., LTD. holds 449,376,284 shares		100%
Zhao-Xing Investment Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. Representative: Chen, Li-Pai	130,000,000 shares	100%
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Chairperson	Chen, Ling-Hua	-	-
		ADATA Technology Co., Ltd. holds 200,000 shares		100%
ADATA Electronics (Shanghai) Co., Ltd.	Chairperson	ADATA TECHNOLOGY (HK) CO., LTD. : Representative: Lin, Tien-Chiung	USD\$4,000,000	100%
	Chairperson	Chen, Li-Pai	-	-
ADATA HOLDINGS CO., LTD.		ADATA Technology Co., Ltd. holds 79,937,598 shares		100%
ADATA Technology (Suzhou) Co., Ltd.	Chairperson and President	ADATA TECHNOLOGY (HK) CO., LTD. Representative: Lin, Tien-Chiung	USD\$40,000,000	100%
	Supervisor	Chen, Chen-Chun	-	-
Zhenlian Investment Co., Ltd.	Chairperson	Liwanli Innovation Co., Ltd. Representative: Chen, Li-Ching	NTD\$67,000,000	100%
Hongqi Investment Co., Ltd.	Chairperson	Liwanli Innovation Co., Ltd. Representative: Chen, Li-Ching	NTD\$70,000,000	100%
ADATA TECHNOLOGY B.V.	Chairperson	Chen, Ling-Chuan	-	-
		ADATA Technology Co., Ltd. holds 300,020 shares		100%
Advanced Data Technology (Suzhou) Co., Ltd.	Chairperson, President, and Supervisor	ADATA TECHNOLOGY (HK) CO., LTD. Representative: Lin, Tien-Chiung	USD\$19,028,450	100%
	Chairperson	Chang, Wen-Yuan	-	-
ADATA TECHNOLOGY HOLDINGS CO., LTD.		Chen, Li-Pai	-	-
	Chairperson	ADATA HOLDINGS CO., LTD. holds 57,928,317 shares		100%
ADATA INVESTMENT CO., LTD.		Chen, Mei-Yun	-	-
		ADATA HOLDINGS CO., LTD. holds 4,486,944 shares		100%
	Chairperson	Chen, Ling-Chuan	-	-
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Director	Li, Tseng-Hua	-	-
		ADATA HOLDINGS CO., LTD. holds 2,287,207 shares		-
	Chairperson	Chen, Chen-Chun	-	-
ADATA CAPITAL COMPANY LIMITED		ADATA HOLDINGS CO., LTD. holds 3,450,322 shares		100%

Name of enterprise	Title	Name or representative	Number of shares held	
			Number of shares (Investment Amount)	Shareholding (Investment Holding) ratio
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Legal representative	ADATA Technology Co., Ltd. Representative: Cheng, Li-Hsiung Representative: Wang, Zhong-Ming	205,983,626 shares	100%
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. Representative: Lin, Tien-Chiung	76,000,000 shares	100%
Jiou Long Agricultural Biotechnology Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. Representative: Chen, Chia-Huei	18,300,000 shares	100%
Long Tian Agricultural Biotechnology Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. Representative: Lin, Tien-Chiung	77,600,000 shares	100%
ADATA TECHNOLOGY (JAPAN) CO., LTD.	Chairperson	Chen, Ling-Chuan	-	-
ADATA INTEGRATION BRAZIL S/A	President	ADATA Technology Co., Ltd. holds 600 shares Mr. Paulo Afonso Frias Trindade Junior	600 shares	100%
ADATA ELECTRONICS BRAZIL S/A	President	Mr. Paulo Afonso Frias Trindade Junior	-	-
ADATA TECHNOLOGY MEXICO SDRL DE CV	President	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA. Holds 131,609,067 shares Mr. Paulo Afonso Frias Trindade Junior	131,609,067 shares	84.30%
Weili Health Medical Technology Co., Ltd.	Chairperson	Alvaro Huerta Guajardo	-	-
	Supervisor	ADATA Technology Co., Ltd. holds 6,649,647 shares Chen, Mei-Yun Li, Shu-Hui	22,500 shares	1.11%
ALLIED TREASURE INC. LIMITED	Chairperson	ADATA Technology Co., Ltd. holds 800,000 shares ADATA Technology Co., Ltd. Representative: Chen, Li-Pai	178,776,000 shares	100%
AIWIN CO., LTD	Chairperson	ALLIED TREASURE INC. LIMITED holds 4,000,000 shares Chen, Li-Pai	-	-
Longevity Wealth Limited	Legal representative	Liwanli Innovation Co., Ltd. Representative: Chen, Li-Ching	23,596,000 shares	100%
Jet Castle Limited	Chairperson	Chen, Chen-Chun	-	-
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	Chairperson	ADATA Technology Co., Ltd. holds 1,500,000 shares Chen, Chen-Chun	1,500,000 shares	100%
Liwanli Advanced Biological Technology (Shenzhen) Co., Ltd.	Chairperson	ADATA Technology Co., Ltd. holds 1,000,000 shares Longevity Wealth Limited Representative: Kang, Chien-Chung	1,000,000 shares	74.63%
			USD\$2,000,000	100%

Name of enterprise	Title	Name or representative	Number of shares held	
			Number of shares (Investment Amount)	Shareholding (Investment Holding) ratio
Awayspeed Technology Company Limited	Chairperson	Chen, Li-Pai	9,000 shares	0.15%
	Supervisor	Chen, Chen-Chun	1,000 shares	0.02%
		ADATA Technology Co., Ltd. holds 3,410,000 shares		56.83%
ADATA Technology (Qingdao) Co., Ltd.	Chairperson	ADATA Technology (Suzhou) Co., Ltd.	RMB\$100,000	100%
	Supervisor	Representative: Huang, Chien-Sheng		
		Shu-Hui Yeh	-	-
FULLSUNGLOBAL Development Co., Ltd.	Chairperson	ADATA Technology Co., Ltd.	33,000,000 shares	82.50%
		Representative: Zhan, Ting-Yi		
	Director	ADATA Technology Co., Ltd.		
		Representative: Li, Tseng-Hua		
		Representative: Lin, Tien-Chiung		
		Representative: Rui-Da Wang	33,000,000 shares	82.50%
		Representative: Tong, Chi		
ADATA SEMICONDUCTOR PRIVATE LIMITED	Director	Representative: Zhuang, Chen		
		Rich Cloud Co., Ltd.	4,800,000 shares	12%
	Supervisor	Representative: Luo, Wei-Jin		
		Lin, Wan-Jing	-	-
		Chen, Yen-Shu	-	-
		Chen, Chen-Chun	-	-
	Chairperson	Chen, Li-Pai	-	-
		ADATA Technology Co., Ltd. holds 107,600,000 shares		99.63%

2. Business overview of affiliated enterprises

(1) Financial position and business performance of affiliated enterprises:

Name of enterprise	Paid-in Capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit (losses)	After-tax profit (loss)	EPS (or loss per share) (NT\$)
Liwanli Innovation Co., Ltd.	834,110	834,173	50,660	783,513	38,887	(39,783)	5,103	0.06
ADATA TECHNOLOGY (HK) CO., LTD.	1,846,495	7,519,272	874,206	6,645,066	4,789,645	93,121	601,681	1.34
Zhao-Xing Investment Co., Ltd.	1,300,000	834,968	200	834,768	0	(695)	45,386	0.35
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	66,637	2,180,507	1,366,220	814,287	6,291,683	144,112	111,701	558.51
ADATA Electronics (Shanghai) Co., Ltd.	131,134	358,417	285,724	72,693	1,121,701	16,361	8,563	N/A
ADATA HOLDINGS CO., LTD.	2,544,347	6,779,157	0	6,779,157	0	(464)	605,491	7.57
ADATA Technology (Suzhou) Co., Ltd.	1,299,223	7,879,957	2,396,078	5,483,879	3,557,501	442,914	345,371	N/A
Zhenlian Investment Co., Ltd.	67,000	66,326	109	66,217	0	(96)	11,290	N/A
Hongqi Investment Co., Ltd.	70,000	47,907	121	47,786	0	(96)	2,823	N/A
ADATA TECHNOLOGY B.V.	16,570	11,994	1,771	10,223	0	(26,091)	919	3.06
Advanced Data Technology (Suzhou) Co., Ltd.	592,704	973,847	115,573	858,274	448,124	82,124	60,997	N/A
ADATA TECHNOLOGY HOLDINGS CO., LTD.	1,847,058	6,645,078	0	6,645,078	0	(5)	601,676	10.39
ADATA INVESTMENT CO., LTD.	141,964	11,369	215	11,154	0	(2,665)	478	0.10
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	65,424	62,849	23,143	39,706	0	(33,709)	5,501	2.40
ADATA CAPITAL COMPANY LIMITED	102,058	83,645	522	83,123	0	(6,407)	(1,709)	(0.50)
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	1,597,378	3,039,811	373	3,039,438	0	(35,201)	503,281	2.44
Ci Cai Guang Agricultural Biotechnology Co., Ltd.	760,000	671,884	701	671,183	0	(808)	(42,942)	(0.57)
Jiou Long Agricultural Biotechnology Co., Ltd.	183,000	169,542	110	169,432	0	(175)	(10,415)	(0.57)

December 31, 2023; Unit: NT\$ thousand

Name of enterprise	Paid-in Capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit (losses)	After-tax profit (loss)	EPS (or loss per share) (NT\$)
Long Tian Agricultural Biotechnology Co., Ltd.	776,000	680,561	422	680,139	0	(2,191)	(53,742)	(0.69)
ADATA TECHNOLOGY (JAPAN) CO., LTD.	7,977	17,870	2,877	14,993	0	(40,000)	1,141	1,902.25
ADATA INTEGRATION BRAZIL S/A	1,363,334	2,245,228	190,688	2,054,540	2,275,835	404,070	505,007	2.73
ADATA ELECTRONICS BRAZIL S/A	344,636	2,960,858	1,768,657	1,192,201	5,397,394	100,494	104,045	1.40
ADATA TECHNOLOGY MEXICO SDRL DE CV	6,872	18,511	2,551	15,960	0	(57,443)	4,150	N/A
Weili Health Medical Technology Co., Ltd.	20,300	3,857	873	2,984	6,341	(1,205)	(1,202)	(1.50)
ALLIED TREASURE INC. LIMITED	744,985	183,465	0	183,465	0	(43,663)	(183,982)	(1.03)
AIWIN CO., LTD	326,300	98,084	0	98,084	0	(108)	3,201	0.32
Longevity Wealth Limited	90,722	(19,400)	0	(19,400)	0	(26)	(3,724)	N/A
Jet Castle Limited	48,135	2,991	0	2,991	0	(42)	5	0.00
AROBOT INNOVATION (SAMOA) HOLDINGS CO., Ltd	40,401	11,429	0	11,429	0	(10)	12,298	12.30
Liwanli Advanced Biological Technology (Shenzhen) Co., Ltd.	57,992	29,217	59,101	(29,884)	1,398	882	(3,708)	N/A
Awayspeed Technology Company Limited	60,000	49,302	4,904	44,398	27,954	(3,555)	(3,247)	(0.54)
ADATA Technology (Qingdao) Co., Ltd.	438	412	(4)	416	0	0	(1)	N/A
FULLSUNGLOBAL Development Co., Ltd.	330,000	674,586	381,252	293,334	91,325	(52,191)	(63,800)	(1.60)
ADATA SEMICONDUCTOR PRIVATE LIMITED	413,672	401,478	21,387	380,091	252	(23,616)	(20,159)	(0.19)

(2) Consolidated financial statements of affiliated enterprises:

ADATA Technology Co., Ltd.

Statement on consolidated financial statements of affiliated enterprises

We hereby declare that companies that are to be included in the consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as companies that are to be included in consolidated financial statements of the parent company in accordance with IFRS10 in 2023 (From January 1, 2023 to December 31, 2023). All information on affiliated enterprises that must be disclosed in the consolidated financial statements was already disclosed in the abovementioned consolidated financial statements. Hence, we did not separately prepare consolidated financial statements of affiliated enterprises.

Hereby declares

Company name: ADATA Technology Co., Ltd.



Chairperson of the Board: Chen, Li-Pai



March 8, 2024

(3) Affiliation Report: None

II. For private placement of securities in the most recent year and up to the date of report, disclose the date and amount approved by the shareholders' meeting and Board of Directors, the basis and reasonableness of price setting, method for selecting designated persons, and reason why the private placement is necessary: N/A.

III. Holding or disposal of stocks of the Company by subsidiaries in the past year and up to the date of report:

March 31, 2024; NT\$ thousand; shares; %

Name of subsidiary	Paid-in capital	Source of funds	The Company's shareholding ratio	Date of acquisition or disposal	Number of shares acquired and amount	Number of shares disposed and amount	Gain (loss) on investments	Number of shares held and amount as of the date of report	Pledge status	Amount of endorsements/ guarantees provided by the Company to subsidiaries	Amount of loans provided by the Company to subsidiaries
Liwanli Innovation Co., Ltd. and subsidiaries	NT\$834,110 thousand	Self-owned funds	54.37%	-	-	-	-	780,000 shares and NT\$76,986 thousand	None	None	None

IV. Other supplemental information: N/A.

Nine. Matters, if any, that may affect shareholders' equity or securities price as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and as of the printing date of the annual report: N/A.

Appendix 1

ADATA TECHNOLOGY CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the companies that are required to be included in the consolidated financial statements of affiliates, are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards No.10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

ADATA TECHNOLOGY CO., LTD.

CHEN, LI PAI

March 8, 2024

INDEPENDENT AUDITORS' REPORT

(2024) PWCR 23004833

To the Board of Directors and Shareholders of Adata Technology Co., Ltd.

Opinion

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

In our opinion, based on our audits and the reports of other independent auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and

we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023, are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(34) for accounting policies on recognition of revenue, Note 6(25) for details of operating revenue.

Fluctuation of significant customers is due to business development. Any significant customer might have a material impact to the Group. Therefore, we consider the existence of sales revenue from significant customers a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the internal controls over sales revenue and included sales transactions from significant customers in samples for test of controls.
2. We obtained management's evaluation of significant customers and agreed to significant related information.
3. Tested that the credit terms of significant customers have been approved appropriately.
4. Obtained and verified the sales details and relevant evidence of significant customers.

5. Sample selected accounts receivable of significant customers to obtain the confirmation letter.

Valuation of inventory

Description

Please refer to Note 4(14) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for details of inventory.

The Group is primarily manufacturing and selling DRAM and NAND Flash products. Due to the highly competitive nature of the consumer electronics market, the Group's products have short life cycles and frequent fluctuation of price, causing higher risk of inventory market value decline. The Group estimates the net realizable value of inventory on the balance sheet date, and individually identifies each inventory at the lower of net realizable values and cost, also evaluates inventory aging and its value in order to provide valuation loss.

As the amount of inventory is significant and the evaluation of inventory requires management's critical judgement, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged, or unsalable inventories.
3. Obtained aging reports of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified to changes record, checked the accuracy of classification range of inventory ages and the effect to inventory value.

4. Obtained net realizable value reports of each kind of inventory and checked the logic of the calculation formulas. Tested relevant parameters to supporting documents and recalculated the allowance for valuation losses item by item.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and investments accounted for under the equity method, is based solely on the reports of the other auditors. Total assets of these subsidiaries and investments accounted for under the equity method amounted to NT\$5,324,202 thousand and NT\$4,970,355 thousand, constituting 11.9% and 13.8% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue amounted to NT\$5,406,516 thousand and NT\$7,931,144 thousand, constituting 16.1% and 22.7% of the consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited the parent company only financial statements of Adata Technology Co., Ltd. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion with other matter paragraph thereon.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission,

and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Huang, Shih-Chun

Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,927,156	9	\$ 5,144,994	14
1110	Financial assets at fair value through profit or loss - current	6(2)	316,011	1	164,254	1
1136	Current financial assets at amortised cost	6(1) and 8	1,087,232	2	1,216,478	4
1150	Notes receivable, net	6(4)	97,097	-	23,025	-
1170	Accounts receivable, net	6(4)(5) and 7(2)	4,365,422	10	4,323,429	12
1200	Other receivables	6(5)	349,938	1	315,819	1
1210	Other receivables - related parties	7(2)	63,024	-	52,379	-
1220	Current tax assets	6(31)	82,847	-	135,625	-
130X	Inventories	6(6)	15,037,048	34	6,227,765	17
1410	Prepayments		697,143	1	875,109	3
1470	Other current assets		21,043	-	35,854	-
11XX	Current Assets		26,043,961	58	18,514,731	52
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	438,847	1	205,651	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	962,001	2	1,001,917	3
1535	Non-current financial assets at amortised cost	6(1) and 8	226,751	1	1,745	-
1550	Investments accounted for under equity method	6(7)	4,114,106	9	3,922,047	11
1600	Property, plant and equipment	6(8), 7(2) and 8	10,056,361	23	9,826,204	27
1755	Right-of-use assets	6(9)	687,026	2	466,446	1
1760	Investment property - net	6(11) and 8	586,733	1	591,227	2
1780	Intangible assets	6(12)	506,968	1	700,275	2
1830	Biological assets - non-current		559	-	564	-
1840	Deferred income tax assets	6(31)	344,922	1	405,643	1
1920	Guarantee deposits paid		131,355	-	113,703	-
1990	Other non-current assets, others	6(13)(19)	550,182	1	178,158	-
15XX	Non-current assets		18,605,811	42	17,413,580	48
1XXX	Total assets		\$ 44,649,772	100	\$ 35,928,311	100

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 10,260,211	23	\$ 5,389,012	15
2110	Short-term notes and bills payable		1,100,000	3	200,000	1
2120	Current financial liabilities at fair value through profit or loss	6(2)	203	-	-	-
2130	Current contract liabilities	6(25)	120,062	-	103,550	-
2150	Notes payable		5,026	-	5,212	-
2170	Accounts payable		4,646,755	11	3,044,117	8
2180	Accounts payable - related parties	7(2)	3,204	-	297	-
2200	Other payables	6(16) and 7(2)	1,036,691	2	978,322	3
2230	Current income tax liabilities	6(31)	118,895	-	123,560	-
2250	Provisions for liabilities - current		39,921	-	25,568	-
2280	Current lease liabilities		42,542	-	30,883	-
2320	Long-term liabilities, current portion	6(18)	613,373	1	564,481	2
2399	Other current liabilities, others		44,757	-	59,818	-
21XX	Current Liabilities		<u>18,031,640</u>	<u>40</u>	<u>10,524,820</u>	<u>29</u>
Non-current liabilities		6(17)				
2540	Long-term borrowings	6(18)	9,450,633	21	11,312,767	32
2570	Deferred income tax liabilities	6(31)	1,217,992	3	1,032,162	3
2580	Non-current lease liabilities		378,483	1	395,530	1
2645	Guarantee deposits received		6,540	-	21,565	-
2670	Other non-current liabilities, others	6(7)	9,622	-	13,620	-
25XX	Non-current liabilities		<u>11,063,270</u>	<u>25</u>	<u>12,775,644</u>	<u>36</u>
2XXX	Total Liabilities		<u>29,094,910</u>	<u>65</u>	<u>23,300,464</u>	<u>65</u>
Equity attributable to owners of parent						
	Share capital	6(21)				
3110	Share capital - common stock		2,959,654	7	2,674,264	7
	Capital surplus	6(22)				
3200	Capital surplus		7,364,360	16	5,788,831	16
	Retained earnings	6(23)				
3310	Legal reserve		1,339,253	3	1,260,835	4
3320	Special reserve		1,065,058	2	1,249,933	4
3350	Unappropriated retained earnings		3,085,421	7	2,077,804	6
	Other equity interest	6(24)				
3400	Other equity interest		(1,227,224)	(2)	(1,065,058)	(3)
3500	Treasury stocks	6(21)	(40,549)	-	(245,419)	(1)
31XX	Equity attributable to owners of the parent		<u>14,545,973</u>	<u>33</u>	<u>11,741,190</u>	<u>33</u>
36XX	Non-controlling interest		<u>1,008,889</u>	<u>2</u>	<u>886,657</u>	<u>2</u>
3XXX	Total equity		<u>15,554,862</u>	<u>35</u>	<u>12,627,847</u>	<u>35</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 44,649,772</u>	<u>100</u>	<u>\$ 35,928,311</u>	<u>100</u>

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

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
Items	Notes					
4000	Sales revenue	6(25) and 7(2)	\$ 33,684,782	100	\$ 34,926,941	100
5000	Operating costs	6(6)(29) and 7(2)	(28,026,847)	(83)	(30,536,995)	(87)
5900	Net operating margin		5,657,935	17	4,389,946	13
	Operating expenses	6(29) and 7(2)				
6100	Selling expenses		(1,522,444)	(5)	(1,482,611)	(4)
6200	General and administrative expenses		(1,768,563)	(5)	(1,540,598)	(5)
6300	Research and development expenses		(599,941)	(2)	(601,195)	(2)
6450	Reversal of expected credit losses	12(2)				
	(Expected credit losses)		7,970	-	(58,320)	-
6000	Total operating expenses		(3,882,978)	(12)	(3,682,724)	(11)
6900	Operating profit		1,774,957	5	707,222	2
	Non-operating income and expenses					
7100	Interest income		142,071	-	47,138	-
7010	Other income	6(26) and 7(2)	225,397	1	398,038	1
7020	Other gains and losses	6(27)	(94,067)	-	(315,711)	(1)
7050	Finance costs	6(28)	(647,336)	(2)	(336,716)	(1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(7)	574,663	2	584,998	2
7000	Total non-operating income and expenses		200,728	1	377,747	1
7900	Profit before income tax		1,975,685	6	1,084,969	3
7950	Income tax expense	6(31)	(481,410)	(1)	(199,382)	(1)
8200	Profit for the year		\$ 1,494,275	5	\$ 885,587	2

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(19)	\$ 8,556	-	\$ 4,962	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(96,250)	-	(203,629)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(200)	-	(913)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	5,629	-	3,006	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(82,265)	-	(196,574)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		140,689	-	514,868	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(24)	10,965	-	370	-
8399	Income tax relating to the components of other comprehensive income	6(31)	(19,963)	-	(95,334)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		131,691	-	419,904	1
8300	Total other comprehensive income for the year, net of tax		<u>\$ 49,426</u>	<u>-</u>	<u>\$ 223,330</u>	<u>1</u>
8500	Total comprehensive income for the year		<u>\$ 1,543,701</u>	<u>5</u>	<u>\$ 1,108,917</u>	<u>3</u>
	Profit, attributable to:					
8610	Owners of the parent		<u>\$ 1,409,388</u>	<u>5</u>	<u>\$ 829,584</u>	<u>2</u>
8620	Non-controlling interest		<u>\$ 84,887</u>	<u>-</u>	<u>\$ 56,003</u>	<u>-</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 1,404,114</u>	<u>5</u>	<u>\$ 1,014,992</u>	<u>3</u>
8720	Non-controlling interest		<u>\$ 139,587</u>	<u>-</u>	<u>\$ 93,925</u>	<u>-</u>
	Basic earnings per share					
9750	Total basic earnings per share	6(32)	<u>\$ 5.21</u>		<u>\$ 3.19</u>	
	Diluted earnings per share					
9850	Total diluted earnings per share	6(32)	<u>\$ 5.18</u>		<u>\$ 3.16</u>	

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

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent											
	Retained earnings				Other equity interest							
	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Treasury stocks	Total	Non-controlling interest	Total equity
Year 2022												
Balance at January 1, 2022	\$ 2,636,713	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	\$ 936,516	\$ 313,417	\$ 34,672	\$ 275,230	\$ 11,915,830	\$ 745,979	\$ 12,661,809
Profit for the year	-	-	-	-	829,584	-	-	-	-	829,584	56,003	885,587
Other comprehensive income (loss) for the year	-	-	-	-	-	381,336	(199,897)	-	-	185,408	37,922	223,330
Total comprehensive income (loss) for the year	-	-	-	-	833,553	381,336	(199,897)	-	-	1,014,992	93,925	1,108,917
Appropriations of net income for 2021												
Legal reserve	-	-	224,946	-	(224,946)	-	-	-	-	-	-	-
Special reserve	-	-	-	78,098	(78,098)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,421,581)	-	-	-	-	(1,421,581)	-	(1,421,581)
Conversion of convertible bonds	37,961	167,571	-	-	-	-	-	-	-	205,532	-	205,532
Compensation cost for employee restricted stocks	-	-	-	-	-	-	-	32,105	-	32,105	-	32,105
Cancellation of employee restricted stocks	-	-	-	-	-	-	-	2,567	-	-	-	-
Disposal of parent company's share by subsidiaries	(410)	(2,157)	-	-	-	-	-	-	-	-	-	-
Disposal of parent company's share by subsidiaries	-	8,515	-	-	-	-	-	-	-	38,326	-	38,326
Generated from business combination-revaluation of financial assets at fair value through other comprehensive income of consolidated subsidiary	-	-	-	-	-	-	-	-	29,811	-	-	-
Changes in non-controlling interest-acquired from business combination	-	-	-	(705)	-	-	705	-	-	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	-	-	-	-	-	-	141,774	141,774
Acquisition of additional equity interest of subsidiaries	-	4,781	-	-	-	-	-	-	-	4,781	-	4,781
Disposal of equity interest of subsidiaries	-	(3,821)	-	-	(45,579)	-	-	-	-	(49,400)	(101,265)	(150,665)
Disposal of equity interest of subsidiaries (yet to lose control)	-	-	-	-	(357)	-	-	-	-	(357)	6,244	5,887
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(2,731)	-	2,731	-	-	-	-	-
Early redemption of convertible bonds	-	(24)	-	-	-	-	-	-	-	(24)	-	(24)
Changes in equity of investment accounted for using the equity method	-	967	-	-	-	-	-	-	-	967	-	967
Return of employee stock ownership trust from employee resignation	-	19	-	-	-	-	-	-	-	19	-	19
Balance at December 31, 2022	\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	\$ 555,180	\$ 509,878	\$ -	\$ 245,419	\$ 11,741,190	\$ 886,657	\$ 12,627,847

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent										Non-controlling interest	Total equity
	Retained earnings					Other equity interest						
	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Treasury stocks	Total		
Notes												
Year 2023												
Balance at January 1, 2023	\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	\$ 555,180	\$ 509,878	\$ -	\$ 245,419	\$ 11,741,190	\$ 886,657	\$ 12,627,847
Profit for the year	-	-	-	-	1,409,388	-	-	-	-	1,409,388	84,887	1,494,275
Other comprehensive income (loss) for the year	-	-	-	-	6,845	79,852	(91,971)	-	-	(5,274)	54,700	49,426
Total comprehensive income (loss) for the year	-	-	-	-	1,416,233	79,852	(91,971)	-	-	1,404,114	139,587	1,543,701
Appropriations of net income for 2022	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	78,418	-	(78,418)	-	-	-	-	-	-	-
Special reserve	-	-	-	(184,875)	184,875	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,931)	-	-	-	-	(526,931)	-	(526,931)
Issuance of employee restricted stocks	6(24)	25,000	129,250	-	-	-	-	(154,250)	-	-	-	-
Compensation cost for employee restricted stocks	6(24)	-	-	-	-	-	-	19,281	-	19,281	-	19,281
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(22)	-	1,560	-	-	-	-	-	-	1,560	-	1,560
Liquidation of subsidiary	6(22)	-	(12,059)	-	-	-	-	-	-	(12,059)	-	(12,059)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	-	(15,078)	-	-	-	-	-
Return of employee stock ownership trust from employee resignation	6(22)	-	1,096	-	-	-	-	-	-	1,096	-	1,096
Cash capital increase	6(21)	300,000	1,553,930	-	-	-	-	-	-	1,853,930	-	1,853,930
Cash capital increase reserved for employee preemption	6(20)	-	67,012	-	-	-	-	-	-	67,012	-	67,012
Cancellation of treasury stocks	6(21)	(39,610)	(165,260)	-	-	-	-	-	204,870	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	6(23)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends paid by subsidiary to non-controlling interests		-	-	-	(3,220)	-	-	-	-	(3,220)	3,220	-
Balance at December 31, 2023	\$ 2,959,654	\$ 7,364,360	\$ 1,339,253	\$ 1,065,058	\$ 3,085,421	\$ 475,328	\$ 616,927	\$ 134,960	\$ 40,549	\$ 14,545,973	\$ 1,008,889	\$ 15,554,862
Year 2022												
Balance at January 1, 2022	\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	\$ 555,180	\$ 509,878	\$ -	\$ 245,419	\$ 11,741,190	\$ 886,657	\$ 12,627,847
Profit for the year	-	-	-	-	1,409,388	-	-	-	-	1,409,388	84,887	1,494,275
Other comprehensive income (loss) for the year	-	-	-	-	6,845	79,852	(91,971)	-	-	(5,274)	54,700	49,426
Total comprehensive income (loss) for the year	-	-	-	-	1,416,233	79,852	(91,971)	-	-	1,404,114	139,587	1,543,701
Appropriations of net income for 2022	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	78,418	-	(78,418)	-	-	-	-	-	-	-
Special reserve	-	-	-	(184,875)	184,875	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(526,931)	-	-	-	-	(526,931)	-	(526,931)
Issuance of employee restricted stocks	6(24)	25,000	129,250	-	-	-	-	(154,250)	-	-	-	-
Compensation cost for employee restricted stocks	6(24)	-	-	-	-	-	-	19,281	-	19,281	-	19,281
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(22)	-	1,560	-	-	-	-	-	-	1,560	-	1,560
Liquidation of subsidiary	6(22)	-	(12,059)	-	-	-	-	-	-	(12,059)	-	(12,059)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	-	(15,078)	-	-	-	-	-
Return of employee stock ownership trust from employee resignation	6(22)	-	1,096	-	-	-	-	-	-	1,096	-	1,096
Cash capital increase	6(21)	300,000	1,553,930	-	-	-	-	-	-	1,853,930	-	1,853,930
Cash capital increase reserved for employee preemption	6(20)	-	67,012	-	-	-	-	-	-	67,012	-	67,012
Cancellation of treasury stocks	6(21)	(39,610)	(165,260)	-	-	-	-	-	204,870	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired	6(23)	-	-	-	-	-	-	-	-	-	-	-
Cash dividends paid by subsidiary to non-controlling interests		-	-	-	(3,220)	-	-	-	-	(3,220)	3,220	-
Balance at December 31, 2023	\$ 2,959,654	\$ 7,364,360	\$ 1,339,253	\$ 1,065,058	\$ 3,085,421	\$ 475,328	\$ 616,927	\$ 134,960	\$ 40,549	\$ 14,545,973	\$ 1,008,889	\$ 15,554,862

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

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,975,685	\$ 1,084,969
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment	6(29)	333,091	301,713
Impairment loss on property, plant and equipment	6(27)	100,000	-
Depreciation of investment property	6(27)	4,494	4,493
Depreciation of right-of-use assets	6(29)	59,835	48,602
Amortisation expense of intangible assets	6(29)	63,835	65,429
Expected credit (gain) loss	12(2)	(7,970)	58,320
Net (gain) loss on financial assets and liabilities at fair value	6(27)	(110,057)	552,609
Interest expense	6(28)	647,336	336,716
Interest income		(142,071)	(47,138)
Dividend income	6(26)	(25,685)	(67,936)
Compensation cost of share-based payment awards	6(20)	86,293	32,105
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)		
		(574,663)	(584,998)
Loss on disposal of intangible assets	6(27)	134	35
Gain on disposal of property, plant and equipment	6(27)	(31)	(5,204)
Loss on disposal of investments accounted for using the equity method	6(27)		
		3,665	47
Loss on investment accumulated equity method reassessment at fair value	6(27)	-	22,322
Impairment loss on investments accounted for under equity method	6(27)	93,364	-
Impairment loss on intangible assets	6(27)	141,653	-
Gain on lease modification	6(27)	(81)	(26)
Gain on disposal of investment	6(27)	(11,916)	-
Gain on redemption of payable bonds	6(27)	-	(24)
Loss on retirement of biological assets		128	103
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss-current		(25,374)	274,816
Notes receivable, net		(74,072)	(20,999)
Accounts receivable, net		(88,964)	695,025
Other receivables		21,627	211,496
Other receivables-related parties		(10,645)	(6,640)
Inventories		(8,809,283)	2,855,262
Prepayments		(83,341)	(80,402)
Other non-current assets		(510)	(1,884)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		203	-
Current contract liabilities		16,512	61,836
Notes payable		(186)	2,495
Accounts payable		1,602,638	(391,262)
Accounts payable - related parties		2,907	(88)
Other payables		2,653	95,958
Other payables - related parties		-	(7,317)
Provisions for current liabilities		14,353	12,330
Other current liabilities		(15,061)	(36,596)
Other non-current liabilities-other		(4,010)	5,741
Cash (outflow) inflow generated from operations		(4,813,514)	5,471,908
Dividend received		398,785	369,286
Interest paid		(617,032)	(330,720)
Income tax refunded		2,024	-
Income tax paid		(200,274)	(435,144)
Net cash flows (used in) from operating activities		(5,230,011)	5,075,330

(Continued)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		\$ 140,946	\$ 41,888
Acquisition of financial assets at fair value through profit or loss-non-current		(249,522)	(166,800)
Acquisition of financial assets at fair value through other comprehensive income-non-current		(194,853)	(570,511)
Refund of financial assets at fair value through other comprehensive income - capital reduction		8,217	10,100
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		83,955	126
Decrease (increase) in financial assets at amortised cost-current		129,246	(313,069)
Acquisition of financial assets at amortised cost-non-current		(225,006)	(29)
Acquisition of investments accounted for using the equity method		(59,355)	(406,530)
Proceeds from disposal of investments accounted for using the equity method		870	8,928
Acquisition of property, plant and equipment	6(35)	(572,404)	(4,055,956)
Proceeds from disposal of property, plant and equipment		3,363	40,635
Increase in refundable deposits		(22,506)	(26,039)
Decrease in refundable deposits		4,854	5,884
Acquisition of intangible assets	6(12)	(6,969)	(12,909)
Increase in biological assets-non-current		(123)	(89)
Decrease in other current assets		14,811	249,650
Prepayments for equipment		(133,893)	(68,290)
Prepayments for investments	6(13)	(20,621)	-
Decrease in other non-current assets		1,200	3,949
Acquisitions, net of cash acquired	6(34)	-	236,174
Net cash flows used in investing activities		(1,097,790)	(5,022,888)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(36)	4,871,199	(3,561,328)
Increase (decrease) in short-term notes and bills payable	6(36)	900,000	(300,000)
Proceeds from long-term loans	6(36)	13,851,430	13,313,883
Repayment for long-term loans	6(36)	(15,664,672)	(6,210,741)
Increase in guarantee deposits received		1,871	4,965
Decrease in guarantee deposits received		(16,896)	(2,646)
Payments of lease liabilities	6(36)	(291,518)	(47,430)
Proceeds from cash capital increase	6(21)	1,853,930	-
Payments of cash dividends	6(23)	(526,931)	(1,421,581)
Acquisition of additional equity interest of subsidiaries from non-controlling interests	6(33)	-	(150,665)
Redemption of bonds payable	6(17)	-	(900)
Proceeds from disposal of parent company's shares by subsidiaries		-	38,326
Cash dividends paid by subsidiary to non-controlling interests		(20,575)	-
Proceeds from disposal of equity interest of subsidiaries (yet to lose control)	6(33)	-	5,887
Return of employee stock ownership trust from employee resignation		1,096	19
Net cash flows from financing activities		4,958,934	1,667,789
Effects of changes in foreign exchange rates		151,029	305,033
Net (decrease) increase in cash and cash equivalents		(1,217,838)	2,025,264
Cash and cash equivalents at beginning of year		5,144,994	3,119,730
Cash and cash equivalents at end of year		\$ 3,927,156	\$ 5,144,994

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

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) ADATA TECHNOLOGY CO., LTD. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in May 2001. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sales of memory products; the sales of biotechnology products, cultural and creative products, catering and electric tricycles; the lease of electric tricycles and venue; agricultural cultivation; portal website operation.

(2) The Company’s shares have been traded on the Taipei Exchange since October 2004.

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

These consolidated financial statements were reported to the Board of Directors on March 8, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International

Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
 - (c) Defined benefit liabilities are recognized based on the net amount of pension fund assets and the present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership(%)		Notes
			December 31, 2023	December 31, 2022	
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	General investments	100	100	-
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Agricultural biotech related business	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMENDIACAO DE NEGOCIOS LTDA	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (JAPAN) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	General investments	100	100	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY MEXICO SDRL DE CV	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	General investments	100	100	-

Investor	Subsidiary	Main business activities	Ownership(%)		Notes
			December 31, 2023	December 31, 2022	
ADATA TECHNOLOGY CO., LTD	JET CASTLE LIMITED	Development and manufacture of earphone	100	100	-
ADATA TECHNOLOGY CO., LTD	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	General investments	74.63	74.63	-
ADATA TECHNOLOGY CO., LTD.	AWAYSPEED TECHNOLOGY CO., LTD.	Sale of electric tricycle	56.83	56.83	-
ADATA TECHNOLOGY CO., LTD.	LIWANLI INNOVATION CO., LTD.	Trading of electronic materials and components, sale of biotech products	54.37	54.37	-
ADATA TECHNOLOGY CO., LTD.	WE LEAD BIOTECH CO., LTD.	Web portal services provider	39.41	39.41	Note 2
ADATA TECHNOLOGY CO., LTD.	FULLSUNGLOBAL DEVELOPMENT CO., LTD.	Lease of venue, culture and education, cultural and creative, art and catering	82.50	78.79	Note 3
ADATA TECHNOLOGY CO., LTD.	ADATA SEMICONDUCTOR PVT. LTD.	Trading of electronic components and computer peripheral	99.63	-	Note 5
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	General investments	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT CO., LTD.	General investments	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	Manufacturing of electronic components and computer peripheral	100	100	-
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO., LTD.	General investments	100	100	-
ADATA INVESTMENT CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	General investments	25.37	25.37	-
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing of electronic components and computer peripheral	100	100	-

Investor	Subsidiary	Main business activities	Ownership(%)		Notes
			December 31, 2023	December 31, 2022	
ADATA TECHNOLOGY (HK) CO., LTD.	ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing of electronic components and computer peripheral	100	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic materials and components	100	100	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA Technology (Qingdao) CO., LTD.	Manufacture and trade of electronic components and smart car equipment	100	100	-
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Design, manufacture and trading of semiconductor components	84.30	84.30	-
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Manufacturing of electronic components and computer components	84.30	84.30	-
ALLIED TREASURE INC. LIMITED	Alwin Co., LTD.	Trading, development and manufacture of earphone	40	40	-
JET CASTLE LIMITED	ERATO (HK) CORPORATION LIMITED	Development and manufacture of earphone	-	-	Note 1
ERATO (HK) CORPORATION LIMITED	ERATO (SZ) CORPORATION LIMITED	Development and manufacture of earphone	100	100	Note 1
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	General investments	-	100	Note 4
WE LEAD BIOTECH CO., LTD.	LIWANLI INNOVATION CO., LTD.	Trading of electronic materials and components, sale of biotech products	-	-	Note 6
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	General investments	100	100	-
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	General investments	100	100	-
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	General investments	100	100	-

Investor	Subsidiary	Main business activities	Ownership(%)		Notes
			December 31, 2023	December 31, 2022	
LIWANLI Innovation Co., Ltd.	Awayspeed Technology Company Limited	Sale of electric tricycle	10	10	-
Longevity Wealth Limited	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of foods products	100	100	-
Longevity Wealth Limited	Alwin Co., LTD.	Trading, development and manufacture of earphone	10	10	-

Aside from the subsidiaries, Adata Integration Brazil S/A, Adata Electronics Brazil S/A, Zhen Lian Investment Co., Ltd. and Hong Qi Investment Co., Ltd. were audited by other independent auditors, remaining subsidiaries were audited by the Company's appointed independent auditors.

Note 1: ERATO (HK) CORPORATION LIMITED was dissolved and liquidated with the announcement of Hong Kong Companies Registry on April 30, 2021. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park's supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 2: The Company is the largest shareholder of WE LEAD BIOTECH CO., LTD., as the General Manager is appointed by the Company, the Company has control over WE LEAD BIOTECH CO., LTD. in substance, and was included in the consolidated financial statement since June 1, 2022, related information is provided in Note 6(33).

Note 3: The equity interests of FULLSUNGLOBAL DEVELOPMENT CO., LTD. that was originally held by the Company was less than 50%. Subsequently, during the third quarter of 2022, the Company acquired equity interests of FULLSUNGLOBAL DEVELOPMENT CO., LTD. from other shareholders, and participated in the capital increase raised by FULLSUNGLOBAL DEVELOPMENT CO., LTD., resulting in the Company's shareholding ratio to increase to 55.45% and was included in the consolidated financial statements starting September 23, 2022. The related information is provided in Note 6(33). In addition, the Company acquired equity interests of FULLSUNGLOBAL DEVELOPMENT CO., LTD. from other shareholders during the fourth quarter of 2022, resulting in the Company's shareholding ratio to increase from 55.45% to 78.79%; The Company participated in the capital increase raised by FULLSUNGLOBAL DEVELOPMENT CO., LTD. during the third quarter of 2023, resulting in the Company's shareholding ratio to increase from 78.79% to 82.50%.

Note 4: AROBOT INNOVATION (HK) CO., LTD. was dissolved and liquidated with the announcement of Hong Kong Companies Registry on April 28, 2023.

Note 5: ADATA SEMICONDUCTOR PVT. LTD. was established and certified by Ministry of Corporate Affairs, Government of India on May 10, 2023. The Company's shareholding ratio is 95%, and was included in the consolidated financial statements. In addition, the Company participated in the capital increase raised by ADATA SEMICONDUCTOR PVT. LTD. during the third quarter of 2023, resulting in the Company's shareholding ratio to increase from 95% to 99.63%.

Note 6: The Company's subsidiary, WE LEAD BIOTECH CO., LTD. originally held equity interests of LIWANLI INNOCATION CO., LTD. which was fully disposed during the third quarter of 2022, resulting in the shareholding ratio to decrease to zero.

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is New Taiwan dollars, and the subsidiaries' functional currency include New Taiwan dollars, China Yuan Renminbi, Hong Kong Dollar, Japanese Yen, Brazilian Real, India Rupees, Mexico Pesos, Euro, and United States Dollars. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the exchange rates prevailing at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realized within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)-operating leases

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

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using weighted-average method. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using the equity method/associates and joint ventures

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method. Unrealized profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant is depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2~50 years
Machinery and equipment	2~10 years
Office equipment	2~7 years
Others	1~10 years

(17) Leasing arrangements (lessee)-right-of-use assets/lease liabilities/leases (lessee)

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 35~50 years.

(19) Intangible assets

- A. Computer software and acquired special technology, are amortized on a straight-line basis, and their estimated useful lives are 1~10 years.
- B. Separately acquired royalties are stated at historical cost. Royalties acquired in a business combination are recognized at fair value at the acquisition date. Royalties have a finite useful life and are amortized on a straight-line basis over their estimated useful lives of 5 years.
- C. Goodwill arises in business combination accounted for by applying the acquisition method.

(20) Biological assets

Biological assets shall be measured at fair value. However, biological assets may be measured at accumulated cost if the fair value can not be obtained from the active market, and the alternative estimation of the fair value is obviously not reliable. Accumulated cost includes the initial acquisition cost and the capitalized cultivation cost. Biological assets will be reclassified as inventory and measured at fair value when biological assets are available for sales.

(21) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortized cost where no impairment loss was recognized.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(22) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(23) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(25) Convertible bonds payable

Convertible bonds issued by the Group contain conversion right (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options, and put options. The Group classifies the convertible bonds upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. Details are as follows:

- A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation by using the effective interest method.

- C. The embedded conversion right which meet the definition of an equity instrument are initially recognized in 'capital surplus-share options' at the residual amount of total issuance proceed less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion right is not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion right, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(26) Derecognition of financial liabilities

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

(27) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(28) Provisions for other liabilities

Provisions (including warranties, marketing subsidy and decommissioning liabilities, etc.) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(29) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.
- B. Restricted stocks:
 - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.
 - (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will repurchase without paying consideration and retire those stocks, the Company recognizes such stocks repurchased as share capital and a deduction to capital surplus at the grant date, in accordance with the terms of restricted stocks.

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(32) Share capital

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

(33) Dividends

Cash dividends distributed from earnings in accordance with Articles of Incorporation of the Company are recognized as liabilities in the financial statements after resolving by the Board of Directors. In addition, the distribution of stock dividends is recognized as stock dividends to be distributed when the Company's shareholders' meeting resolves to distribute, and transfers to share capital – common stock on the base date of issuance of new stocks.

(34) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells memory, biotechnology, electric tricycles, cultural and creative related products and catering. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales returns, volume discounts and sales discounts. Annual expected purchase and accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, which was recognized as refund liabilities, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.
- (c) The sales usually are made with a credit term of cash on delivery and 120 days after monthly billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (d) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision.
- (e) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Group provides installation and memory product original equipment manufacturing services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract.
- (b) The Group provides platform and management services to its clients. Revenue from providing services is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the volume of service usage relative to the total volume of committed service.

- (c) The Group's revenues, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Rental income

The Group operates leasing business of electric tricycles and activity venues. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, while others are classified as operating lease. Leasing business of the Group are classified as operating lease, and revenue generated from them are recognized by the Group using the straight-line method during the leasing period.

(35) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(36) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(37) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion was immaterial.

(2) Critical accounting estimates and assumptions

A. Assessment of accounts receivable

The Group manages collections and assumes the related credit risks for their receivables. Management assesses customers' credit quality and collections periodically and adjusts customers' credit policies accordingly. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Group took into account factors that may influence customers' ability to pay, such as individual customer's past due period, financial status and economic condition at the balance sheet date and historical experience, and used the forecastability to assess the default possibility of accounts receivable.

B. Evaluation of inventories

In the inventory evaluation process, the Group must use judgment to evaluate the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Due to technological changes, environmental changes and sales conditions, the value of the inventory will change, which will affect the evaluation of the inventory.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 1,912	\$ 1,495
Checking accounts and demand deposits	3,277,110	3,155,069
Time deposits	648,134	1,988,430
	<u>\$ 3,927,156</u>	<u>\$ 5,144,994</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The cash and cash equivalents that were pledged to others as collaterals and classified as financial assets at amortized cost (current and non-current) amounting to \$1,000,000 and \$1,768 ; \$1,175,585 and \$1,745 as at December 31, 2023 and 2022, respectively. Related information is provided in Note 8.
- C. The time deposits with maturities of more than three months that were classified as financial assets at amortized cost (current and non-current) amounted to \$87,232 and \$224,983 ; \$40,893 and \$0 as at December 31, 2023 and 2022, respectively.

(2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 266,827	\$ 149,220
-Beneficiary certificates	66,750	40,913
-Non-hedging derivatives	478	5,842
-Financial products	-	3,967
Subtotal	334,055	199,942
Valuation adjustment	(18,044)	(35,688)
	<u>\$ 316,011</u>	<u>\$ 164,254</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Unlisted stocks and beneficiary certificates	\$ 392,472	\$ 166,800
-Other agreement	23,850	-
Subtotal	416,322	166,800
Valuation adjustment	22,525	38,851
	<u>\$ 438,847</u>	<u>\$ 205,651</u>
Current items:		
Financial liabilities held for trading		
-Non-hedging derivatives	\$ 203	\$ -

- A. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2023	2022
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates and financial products	\$ 17,591	(\$ 354,048)
-Non-hedging derivatives	92,466	(198,112)
-Put and call options of convertible bonds	-	(449)
	<u>\$ 110,057</u>	<u>(\$ 552,609)</u>

- B. The Group entered into contracts relating to derivative financial instruments which were not accounted for under hedge accounting. The information is listed below:

Derivative instruments	December 31, 2023	
	Contract amount (in thousands) (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
-Derivative assets		
Sell RMB/Buy USD	USD 20,000	December 25, 2023 to January 3, 2024
Sell RMB/Buy USD	USD 20,000	December 29, 2023 to February 2, 2024
-Derivative liabilities		
Sell BRL/Buy USD	USD 3,000	November 16, 2023 to January 31, 2024
Sell BRL/Buy USD	USD 3,000	December 26, 2023 to February 29, 2024
Derivative instruments	December 31, 2022	
	Contract amount (in thousands) (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts		
-Derivative assets		
Sell BRL/Buy USD	USD 11,000	December 1, 2022 to January 31, 2023

The Group entered into the forward foreign exchange contracts to hedge exchange rate risk. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

- C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

D. Information relating to fair value is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items-equity instruments:		
-Listed stocks and emerging stocks	\$ 768,614	\$ 551,551
-Unlisted stocks, non-emerging stocks and capital contribution certificate	<u>806,984</u>	<u>954,376</u>
subtotal	1,575,598	1,505,927
Valuation adjustment	(613,597)	(504,010)
	<u>\$ 962,001</u>	<u>\$ 1,001,917</u>

A. The Group has elected to classify debt and equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. The Group derecognized equity instruments investments of \$93,118 and \$26,682 at fair value due to financial management by selling, as the price of share payments of the invested company and corporate liquidation, with gains (losses) of \$542 and (\$3,578) for the years ended December 31, 2023 and 2022.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>Debt and equity instruments at fair value through Other comprehensive income</u>		
Fair value change recognised in other comprehensive gains (losses)	(\$ 96,250)	(\$ 203,629)
Cumulative gains (losses) reclassified to retained earnings due to derecognition	<u>\$ 13,337</u>	<u>(\$ 2,731)</u>
Dividend income recognised in profit or loss		
Held at end of year	\$ 10,017	\$ 1,580
Derecognised during the year	<u>-</u>	<u>-</u>
	<u>\$ 10,017</u>	<u>\$ 1,580</u>

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to fair value is provided in Note 12(3).

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$ 97,097	\$ 23,025
Accounts receivable	\$ 4,419,464	\$ 4,385,401
Less: Allowance for uncollectible accounts	(54,042)	(61,972)
	<u>\$ 4,365,422</u>	<u>\$ 4,323,429</u>
Overdue receivables (shown as other non-current assets)	\$ 324	\$ 81
Less: Allowance for uncollectible accounts	(324)	(81)
	<u>\$ -</u>	<u>\$ -</u>

Overdue receivables refer to the amount that were outsourced for debt collections or were in debt litigations, or the balance at risk that were reported to insurance companies.

- A. The aging analysis of notes and accounts receivable and the information relating to credit risk are provided in Note 12(2).
- B. As of December 31, 2023 and 2022, notes and accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of notes and accounts receivables from contracts with customers amounted to \$2,026 and \$5,176,902, respectively.
- C. No collateral was held by the Group for above mentioned notes and accounts receivable.

(5) Transfer of financial assets

The Group entered into a factoring agreement with banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

December 31, 2023						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan, etc.	<u>\$ 546,209</u>	<u>\$ 546,209</u>	<u>\$ 2,410,343</u>	<u>\$ 491,588</u>	<u>\$ -</u>	Note 1

December 31, 2022						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan, etc.	<u>\$ 115,682</u>	<u>\$ 115,682</u>	<u>\$ 2,807,969</u>	<u>\$ 27,839</u>	<u>\$ 76,275</u>	Note 2

As of December 31, 2023 and 2022, the Group has retention for the factoring of accounts receivable (shown as “Other receivables”) amounting to \$54,621 and \$87,843, respectively.

Note 1: The advanced amount carried the interest rate of 5.830%~6.700% as at December 31, 2023.

Note 2: The advanced amount carried the interest rate of 1.800% as at December 31, 2022.

(6) Inventories

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,896,721	(\$ 78,085)	\$ 1,818,636
Work in progress	9,635,064	(48,599)	9,586,465
Semi-finished goods	346,799	(8,902)	337,897
Finished goods	2,965,221	(111,365)	2,853,856
Merchandise	483,697	(43,503)	440,194
	<u>\$ 15,327,502</u>	<u>(\$ 290,454)</u>	<u>\$ 15,037,048</u>
December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 984,307	(\$ 89,572)	\$ 894,735
Work in progress	3,073,869	(101,360)	2,972,509
Semi-finished goods	261,323	(13,302)	248,021
Finished goods	2,392,660	(303,217)	2,089,443
Merchandise	56,836	(33,779)	23,057
	<u>\$ 6,768,995</u>	<u>(\$ 541,230)</u>	<u>\$ 6,227,765</u>

A. Inventories are not pledged as collateral.

B. The cost of inventories are recognized as expense by the Group for the period:

	Years ended December 31,	
	2023	2022
Cost of goods sold	\$ 28,223,747	\$ 30,292,170
(Gain) loss on reversal of decline in market value	(253,675)	198,111
Others	56,775	46,714
	<u>\$ 28,026,847</u>	<u>\$ 30,536,995</u>

As the Group cleared the inventories that had been provisioned for the allowance for inventory valuation losses, the loss on decline in market value decreased, and the gain on reversal increased.

(7) Investments accounted for using the equity method

<u>Investee companies</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
A. Assets		
Associates:		
IROC CO., LTD.	\$ 497,548	\$ 562,353
ATrack Technology Inc.	353,407	368,745
Shandong Weigang Fengshi Technology Development Co., Ltd.	857,968	875,531
SKYWIN Technology (Qingdao) Co., Ltd.	305,816	307,061
Others	<u>383,573</u>	<u>284,637</u>
	2,398,312	2,398,327
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	<u>1,715,794</u>	<u>1,523,720</u>
	<u>\$ 4,114,106</u>	<u>\$ 3,922,047</u>
B. Liabilities (Other non-current liabilities)		
Associates:		
Others	(\$ 3,311)	(\$ 3,299)

The investment gain accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to \$574,663 and \$584,998, respectively, based on the audited financial statements.

A. Associates

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

- (a) As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$2,395,001 and \$2,395,028, respectively.
- (b) The summarized of Group's share of the operating results:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Income (loss) for the year	\$ 9,489	(\$ 41,724)
Other comprehensive income (loss), net of tax	<u>10,765</u>	<u>(543)</u>
Total comprehensive income (loss)	<u>\$ 20,254</u>	<u>(\$ 42,267)</u>

- (c) The Group holds 28.26% of ATrack Technology Inc. and is the single largest shareholder of the company. Considering the degree of participation of other shareholders of ATrack Technology Inc. and the record of voting rights for major resolutions, the Group has only obtained two seats of seven in the board of directors of ATrack Technology Inc. that the Group has no actual ability to lead the relevant activities, so it has no control over the company and only has a significant influence.
- (d) The information relating to impairment about investments accounted for using the equity method is provided in Note 6(14).

B. Joint venture

(a) The basic information of the joint ventures that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2023	December 31, 2022		
Taiwan Sports Lottery Co., Ltd.	Taiwan	51.07%	51.07%	Joint venture	Equity method

(b) The summarized financial information of the joint ventures, Taiwan Sports Lottery Co., Ltd., that are material to the Group is as follows:

i. Balance sheet

	Taiwan Sports Lottery Co., Ltd.	
	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 2,482,030	\$ 2,061,622
Other current assets	569,291	1,359,939
Current assets	3,051,321	3,421,561
Non-current assets	1,169,942	572,091
Total assets	\$ 4,221,263	\$ 3,993,652
Current financial liabilities (Note)	(\$ 295,551)	(\$ 492,276)
Other current liabilities	(401,508)	(435,440)
Current liabilities	(697,059)	(927,716)
Non-current liabilities	(164,515)	(82,345)
Total liabilities	(\$ 861,574)	(\$ 1,010,061)
Total net assets	\$ 3,359,689	\$ 2,983,591
Shares in joint venture's net assets	(\$ 1,715,794)	\$ 1,523,720
Carrying amount of the joint venture	(\$ 1,715,794)	\$ 1,523,720

Note: It was excluding accounts payable, other payables and provision.

ii. Statement of comprehensive income

	Taiwan Sports Lottery Co., Ltd.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 3,228,961	\$ 3,218,408
Depreciation and amortisation	(\$ 85,220)	(\$ 79,275)
Interest income	\$ 13,049	\$ 2,790
Profit before income tax	\$ 1,380,637	\$ 1,566,434
Income tax expense	(273,938)	(317,943)
Profit for the year from continuing operations	\$ 1,106,699	\$ 1,248,491
Total comprehensive income	\$ 1,106,699	\$ 1,248,491
Dividends received from joint venture	\$ 373,100	\$ 300,000

- (c) The Group's principal joint venture, Taiwan Sports Lottery Co., Ltd., has no quoted market prices.

(8) Property, plant and equipment

	Land	Buildings and structures			Machinery and equipment		Office equipment		Others		Construction in progress and equipment to be inspected	
	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Total
At January 1, 2023												
Cost	\$ 5,540,156	\$ 4,127,739	\$ 68,055	\$ 4,195,794	\$ 1,262,477	\$ 179,003	\$ 815,911	\$ 5,800	\$ 821,711	\$ 63,558	\$ 12,062,699	
Accumulated depreciation and impairment	-	(1,013,355)	(29,681)	(1,043,036)	(640,839)	(116,200)	(435,891)	(529)	(436,420)	-	(2,236,495)	
2023	\$ 5,540,156	\$ 3,114,384	\$ 38,374	\$ 3,152,758	\$ 621,638	\$ 62,803	\$ 380,020	\$ 5,271	\$ 385,291	\$ 63,558	\$ 9,826,204	
Opening net book amount as at January 1	\$ 5,540,156	\$ 3,114,384	\$ 38,374	\$ 3,152,758	\$ 621,638	\$ 62,803	\$ 380,020	\$ 5,271	\$ 385,291	\$ 63,558	\$ 9,826,204	
Additions	123,164	84,119	-	84,119	48,599	14,971	69,590	512	70,102	256,861	597,816	
Disposals	-	(10)	-	(10)	(1,792)	(604)	(926)	-	(926)	-	(3,332)	
Transfers for the year (Note)	(5,378)	10,373	(1,143)	9,230	3,810	518	79,358	-	79,358	(39,480)	48,058	
Depreciation charge	-	(129,104)	(1,722)	(130,826)	(95,597)	(17,395)	(88,087)	(1,186)	(89,273)	-	(333,091)	
Impairment loss	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)	
Net exchange differences	60	(17,491)	(299)	(17,790)	22,616	796	14,737	-	14,737	287	20,706	
Closing net book amount as at December 31	\$ 5,558,002	\$ 3,062,271	\$ 35,210	\$ 3,097,481	\$ 599,274	\$ 61,089	\$ 454,692	\$ 4,597	\$ 459,289	\$ 281,226	\$ 10,056,361	
At December 31, 2023												
Cost	\$ 5,658,002	\$ 4,200,268	\$ 55,080	\$ 4,255,348	\$ 1,322,012	\$ 189,432	\$ 974,734	\$ 6,312	\$ 981,046	\$ 281,226	\$ 12,687,066	
Accumulated depreciation and impairment	(100,000)	(1,137,997)	(19,870)	(1,157,867)	(722,738)	(128,343)	(520,042)	(1,715)	(521,757)	-	(2,630,705)	
	\$ 5,558,002	\$ 3,062,271	\$ 35,210	\$ 3,097,481	\$ 599,274	\$ 61,089	\$ 454,692	\$ 4,597	\$ 459,289	\$ 281,226	\$ 10,056,361	

	Land		Buildings and structures		Machinery and equipment		Office equipment		Others		Construction in progress and equipment to be inspected	
	Owner-occupied		Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Total
At January 1, 2022												
Cost	\$ 2,543,573	\$ 2,365,865	\$ 62,093	\$ 2,427,958	\$ 1,144,342	\$ 131,410	\$ 671,981	\$ -	\$ 671,981	\$ 682	\$ 6,919,946	
Accumulated depreciation and impairment	-	(883,684)	(26,551)	(910,235)	(527,708)	(96,711)	(353,784)	-	(353,784)	-	(1,888,438)	
2022												
Opening net book amount as at January 1	\$ 2,543,573	\$ 1,482,181	\$ 35,542	\$ 1,517,723	\$ 616,634	\$ 34,699	\$ 318,197	\$ -	\$ 318,197	\$ 682	\$ 5,031,508	
Additions	2,167,726	1,698,746	-	1,698,746	30,761	35,947	69,775	5,118	74,893	63,558	4,071,631	
Disposals	-	-	-	-	(34,058)	(158)	(1,215)	-	(1,215)	-	(35,431)	
Transfers for the year (Note)	825,042	33,819	5,165	38,984	45,093	5,384	30,383	682	31,065	(682)	944,886	
Acquired from business combinations	-	-	-	-	-	1,460	17	-	17	-	1,477	
Depreciation charge	-	(119,444)	(2,712)	(122,156)	(94,499)	(16,813)	(67,716)	(529)	(68,245)	-	(301,713)	
Net exchange differences	3,815	19,082	379	19,461	57,707	2,284	30,579	-	30,579	-	113,846	
Closing net book amount as at December 31	\$ 5,540,156	\$ 3,114,384	\$ 38,374	\$ 3,152,758	\$ 621,638	\$ 62,803	\$ 380,020	\$ 5,271	\$ 385,291	\$ 63,558	\$ 9,826,204	
At December 31, 2022												
Cost	\$ 5,540,156	\$ 4,127,739	\$ 68,055	\$ 4,195,794	\$ 1,262,477	\$ 179,003	\$ 815,911	\$ 5,800	\$ 821,711	\$ 63,558	\$ 12,062,699	
Accumulated depreciation and impairment	-	(1,013,355)	(29,681)	(1,043,036)	(640,839)	(116,200)	(435,891)	(529)	(436,420)	-	(2,236,495)	
	\$ 5,540,156	\$ 3,114,384	\$ 38,374	\$ 3,152,758	\$ 621,638	\$ 62,803	\$ 380,020	\$ 5,271	\$ 385,291	\$ 63,558	\$ 9,826,204	

Note: Including amount transferred from prepayment for equipment (shown as “Other non-current assets”) and the prepayments for real estate acquisition (shown as “Other non-current assets”).

A: No property, plant and equipment has capitalized interest.

B: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

C: The information relating to impairment about the property, plant and equipment is provided in Note 6(14).

(9) Leasing arrangements-lessee

A. The Group leases various assets including land, buildings, and transportation equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Land and building	Office	Transportation equipment	Total
Balance, January 1, 2023	\$ 417,420	\$ 44,353	\$ 4,673	\$ 466,446
Additions	256,195	10,894	6,924	274,013
Modification-contract termination	- (	854)	- (	854)
Modification-contract extension	-	11,511	-	11,511
Modification-consideration adjustment	(793)	-	- (	793)
Reclassification	(375)	375	-	-
Depreciation	(22,942)	(33,671)	(3,222)	(59,835)
Net exchange differences	(5,685)	2,223	-	(3,462)
Balance, December 31, 2023	<u>\$ 643,820</u>	<u>\$ 34,831</u>	<u>\$ 8,375</u>	<u>\$ 687,026</u>

	Land and building	Office	Transportation equipment	Total
Balance, January 1, 2022	\$ 45,943	\$ 50,262	\$ 2,500	\$ 98,705
Additions	382,998	25,264	8,021	416,283
Modification-contract termination	- (	1,915)	(3,216)	(5,131)
Modification-consideration adjustment	(525)	(375)	- (	900)
Depreciation	(11,606)	(34,364)	(2,632)	(48,602)
Net exchange differences	610	5,481	-	6,091
Balance, December 31, 2022	<u>\$ 417,420</u>	<u>\$ 44,353</u>	<u>\$ 4,673</u>	<u>\$ 466,446</u>

C. Information on profit or loss in relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 13,245	\$ 2,372
Expense on short-term lease contracts	45,169	40,169
Expense on leases of low-value assets	835	379
Gain on lease modification-contract termination	(81)	(26)
	<u>\$ 59,168</u>	<u>\$ 42,894</u>

D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)C., information about the principal repayment of lease liability for the years ended December 31, 2023 and 2022 is provided in Note 6(36).

(10) Leasing arrangements-lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.
- B. For the years ended December 31, 2023 and 2022, information about the Group's recognized rent income based on the operating lease agreement which does not include variable lease payments is provided in Note 6(26).
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Next 1 year	\$ 24,757	\$ 10,503
Next 2 years	6,037	7,168
Next 3 years	2,825	6,865
Over next 3 years	12,610	16,915
	<u>\$ 46,229</u>	<u>\$ 41,451</u>

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2023</u>			
Cost	\$ 444,765	\$ 177,422	\$ 622,187
Accumulated depreciation and impairment	-	(30,960)	(30,960)
	<u>\$ 444,765</u>	<u>\$ 146,462</u>	<u>\$ 591,227</u>
<u>2023</u>			
Opening net book amount as at January 1	\$ 444,765	\$ 146,462	\$ 591,227
Depreciation charge	-	(4,494)	(4,494)
Closing net book amount as at December 31	<u>\$ 444,765</u>	<u>\$ 141,968</u>	<u>\$ 586,733</u>
<u>At December 31, 2023</u>			
Cost	\$ 444,765	\$ 177,422	\$ 622,187
Accumulated depreciation and impairment	-	(35,454)	(35,454)
	<u>\$ 444,765</u>	<u>\$ 141,968</u>	<u>\$ 586,733</u>

	Land	Buildings and structures	Total
<u>At January 1, 2022</u>			
Cost	\$ 444,765	\$ 177,422	\$ 622,187
Accumulated depreciation and impairment	<u>-</u>	<u>(26,467)</u>	<u>(26,467)</u>
	<u>\$ 444,765</u>	<u>\$ 150,955</u>	<u>\$ 595,720</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ 444,765	\$ 150,955	\$ 595,720
Depreciation charge	<u>-</u>	<u>(4,493)</u>	<u>(4,493)</u>
Closing net book amount as at December 31	<u>\$ 444,765</u>	<u>\$ 146,462</u>	<u>\$ 591,227</u>
<u>At December 31, 2022</u>			
Cost	\$ 444,765	\$ 177,422	\$ 622,187
Accumulated depreciation and impairment	<u>-</u>	<u>(30,960)</u>	<u>(30,960)</u>
	<u>\$ 444,765</u>	<u>\$ 146,462</u>	<u>\$ 591,227</u>

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

	Years ended December 31,	
	2023	2022
Rental income from investment property	<u>\$ 18,460</u>	<u>\$ 18,568</u>
Direct operating expenses arising from the investment property which generated rental income for the year	<u>\$ 4,494</u>	<u>\$ 4,493</u>

- B. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 amounted to \$897,199 and \$881,308, respectively. The above fair value is assessed by the Group's management with the market fair value of similar property.
- C. No investment property has capitalized interest.
- D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	Patent and License	Software	Technical skills	Goodwill	Others	Total
<u>At January 1, 2023</u>						
Cost	\$ 12,704	\$ 242,629	\$ 567,232	\$ 325,950	\$ 10,441	\$ 1,158,956
Accumulated amortisation and impairment	(5,925)	(199,584)	(242,731)	-	(10,441)	(458,681)
	<u>\$ 6,779</u>	<u>\$ 43,045</u>	<u>\$ 324,501</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 700,275</u>
<u>2023</u>						
Opening net book amount as at January 1	\$ 6,779	\$ 43,045	\$ 324,501	\$ 325,950	\$ -	\$ 700,275
Additions	-	6,969	-	-	-	6,969
Transfers for the year	-	3,605	-	-	-	3,605
Disposals	-	(134)	-	-	-	(134)
Amortisation expense	(2,569)	(17,634)	(43,632)	-	-	(63,835)
Impairment loss	-	-	(141,653)	-	-	(141,653)
Net exchange differences	(198)	202	1,737	-	-	1,741
Closing net book amount as at December 31	<u>\$ 4,012</u>	<u>\$ 36,053</u>	<u>\$ 140,953</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 506,968</u>
<u>At December 31, 2023</u>						
Cost	\$ 13,545	\$ 233,942	\$ 565,936	\$ 325,950	\$ 10,440	\$ 1,149,813
Accumulated amortisation and impairment	(9,533)	(197,889)	(424,983)	-	(10,440)	(642,845)
	<u>\$ 4,012</u>	<u>\$ 36,053</u>	<u>\$ 140,953</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 506,968</u>
	Patent and License	Software	Technical skills	Goodwill	Others	Total
<u>At January 1, 2022</u>						
Cost	\$ 7,410	\$ 227,946	\$ 511,199	\$ 325,950	\$ 9,411	\$ 1,081,916
Accumulated amortisation and impairment	(3,366)	(178,178)	(178,674)	-	(9,411)	(369,629)
	<u>\$ 4,044</u>	<u>\$ 49,768</u>	<u>\$ 332,525</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 712,287</u>
<u>2022</u>						
Opening net book amount as at January 1	\$ 4,044	\$ 49,768	\$ 332,525	\$ 325,950	\$ -	\$ 712,287
Additions	418	12,491	-	-	-	12,909
Transfers for the year	-	310	-	-	-	310
Acquired from business combinations	3,411	-	-	-	-	3,411
Disposals	-	(35)	-	-	-	(35)
Amortisation expense	(1,888)	(20,515)	(43,026)	-	-	(65,429)
Net exchange differences	794	1,026	35,002	-	-	36,822
Closing net book amount as at December 31	<u>\$ 6,779</u>	<u>\$ 43,045</u>	<u>\$ 324,501</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 700,275</u>
<u>At December 31, 2022</u>						
Cost	\$ 12,704	\$ 242,629	\$ 567,232	\$ 325,950	\$ 10,441	\$ 1,158,956
Accumulated amortisation and impairment	(5,925)	(199,584)	(242,731)	-	(10,441)	(458,681)
	<u>\$ 6,779</u>	<u>\$ 43,045</u>	<u>\$ 324,501</u>	<u>\$ 325,950</u>	<u>\$ -</u>	<u>\$ 700,275</u>

A. Details of amortization on intangible assets are as follows:

	Years ended December 31,	
	2023	2022
Operating costs	\$ 46,821	\$ 46,330
Selling expenses	533	465
General and administrative expenses	13,917	16,804
Research and development expenses	2,564	1,830
	<u>\$ 63,835</u>	<u>\$ 65,429</u>

B. The goodwill of the Group is generated by business combination with the subsidiary, LIWANLI Innovation Co., LTD. The recoverable amount is the fair value minus the disposal cost. Since the recoverable amount exceeds the book amount, the goodwill is not impaired.

C. No intangible assets was capitalized interest.

D. The Group has no intangible assets that were pledged to others as collateral.

E. The information relating to impairment about the intangible assets is provided in Note 6(14).

(13) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for equipment	\$ 151,794	\$ 69,564
Prepayments for investments	20,621	-
Business tax carry forward	261,007	-
Others	116,760	108,594
	<u>\$ 550,182</u>	<u>\$ 178,158</u>

(14) Impairment of non-financial assets

The Group recognised impairment loss, and the details of such loss are as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Recognised in profit or (loss)	Recognised in other comprehensive income or (loss)	Recognised in profit or (loss)	Recognised in other comprehensive income or (loss)
Impairment loss — investments accounted for using equity method (Note 1)	(\$ 93,364)	\$ -	\$ -	\$ -
Impairment loss — land (Note 2)	(100,000)	-	-	-
Impairment loss — technical skills of intangible assets (Note 3)	(141,653)	-	-	-
	<u>(\$ 335,017)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: The actual growth of the operating revenue of investments is not as expected and resulted in impairment losses in some of the investments accounted for using equity method. The Group wrote down the carrying amount of the assets based on the recoverable amount and recognised an impairment loss. The recoverable amount was determined based on value-in-use calculations in the appraisal report, and the pre-tax cash flow projections used in the calculations of value-in-use are based on financial budgets approved by the management, the discount rate used in the calculations of value-in-use is 4.16%, which is the after-tax weighted average cost of capital.

Note 2: The Group recognised impairment loss on land which is located in Shoufeng Township, Hualien County. The recoverable amount of the land was determined based on the price comparison approach and income capitalization approach which is weighed 50% each according to the appraisal report. The appropriate capitalization rate is 2.27%.

Note 3: The actual income benefit of technical skill is not as expected and resulted in an impairment loss in technical skill of intangible assets. The Group wrote down the carrying amount of the assets based on the recoverable amount and recognised an impairment loss. The calculation of the recoverable amount was determined based on value-in-use calculations in the appraisal report, and the pre-tax cash flow projections used in value-in-used are based on financial budgets approved by the management, the discount rate used in the calculations of value-in-use is 7.8%, which is the after-tax weighted average cost of capital.

(15) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Unsecured loans	<u>\$ 10,260,211</u>	1.80%~6.62%	None
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Unsecured loans	\$ 5,303,376	0.85%~17.53%	None
Secured loans	85,636	16.32%	Note 8
	<u>\$ 5,389,012</u>		

Information on interest expense recognized in profit or loss is provided in Note 6(28).

(16) Other payables

	December 31, 2023	December 31, 2022
Payable on employees' salaries and bonuses	\$ 506,610	\$ 402,809
Payable on equipment	44,421	19,009
Others	485,660	556,504
	<u>\$ 1,036,691</u>	<u>\$ 978,322</u>

(17) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bonds payable	\$ -	\$ -
Less: Discount on bonds payable	-	-
	<u>\$ -</u>	<u>\$ -</u>

The terms of the 7th domestic secured convertible bonds issued by the Group are as follows:

- A. The regulatory authority has approved the 7th domestic secured convertible bonds issued by the Group. The total issuance amount is \$1,000,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from September 28, 2020 to September 28, 2025. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on September 28, 2020. As of October 3, 2022, all the bonds had been converted into common stock and redeemed.
- B. The bondholders have the right to ask for conversion of the bonds into common shares of the Group during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- C. The conversion price is set up based on the pricing model specified in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$57.7 per share at issuance. The conversion price was adjusted from NT\$57.7 (in dollars) per share to NT\$56.1 (in dollars) per share since August 15, 2021 because of the distribution of cash dividends of 2020. The conversion price was adjusted from NT\$56.1 (in dollars) per share to NT\$50.8 (in dollars) per share since July 28, 2022 because of the distribution of cash dividends of 2021.
- D. The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
- E. The Group may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Group's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- F. The Group may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- G. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- H. For the years ended December 31, 2023 and 2022, the convertible bonds of \$0 and \$209,500 had

been converted into 0 share and 3,796,101 shares of common stocks, respectively. As of December 31, 2023, the convertible bonds of \$999,100 had been converted into 17,575,557 shares of common stocks.

- I. For the years ended December 31, 2023 and 2022, the convertible bonds of \$0 and \$900 had been repurchased by the Group from the Taipei Exchange, respectively. As of December 31, 2023, the convertible bonds of \$900 had been repurchased by the Group from the Taipei Exchange.
- J. Upon issuance of convertible bonds, the equity conversion right amounting to \$27,500 were separated from the liability component and were recognized in ‘capital surplus-share options’ in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.7172%.

(18) Long-term borrowings

Borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,600,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	637,900
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	596,000
Secured borrowings	Borrowing period is from May 24, 2023 to May 24, 2025; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Unsecured borrowings	Borrowing period is from May 24, 2023 to May 24, 2025; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from July 21, 2022 to July 21, 2027; principal paid half-yearly from the 18th month, non-revolving credit	None	220,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	520,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal paid monthly, non-revolving credit	Please refer to Note 8	17,583
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18th month, non-revolving credit	None	90,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 2nd year, non-revolving credit	Please refer to Note 8	264,804
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	655,120
Secured borrowings	Borrowing period is from June 6, 2022 to June 6, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	627,000
Unsecured borrowings	Borrowing period is from August 24, 2022 to August 24, 2025; interest is repayable monthly, principal is repayable monthly, non-revolving credit	None	788,889
Secured borrowings	Borrowing period is from November 23, 2022 to November 23, 2027; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	295,280
Secured borrowings	Borrowing period is from August 1, 2023 to August 1, 2038; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	151,430
			\$ 10,064,006
Less: Long-term liabilities, Current portion			(613,373)
			\$ 9,450,633

The long-term borrowing carried interest rate of 1.7100%~2.1287% as at December 31, 2023.

Borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 6,000,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	637,900
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	596,000
Secured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Unsecured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from July 21, 2022 to July 21, 2027; principal paid half-yearly from the 18th month, non-revolving credit	None	220,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	520,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal paid monthly, non-revolving credit	Please refer to Note 8	47,726
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18th month, non-revolving credit	None	135,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 2nd year, non-revolving credit	Please refer to Note 8	281,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	655,120
Secured borrowings	Borrowing period is from June 6, 2022 to June 6, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	627,000
Unsecured borrowings	Borrowing period is from August 24, 2022 to August 24, 2025; interest is repayable monthly, principal is repayable monthly, non-revolving credit	None	1,262,222
Secured borrowings	Borrowing period is from November 23, 2022 to November 23, 2027; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	295,280
			\$ 11,877,248
Less: Long-term liabilities, Current portion			(564,481)
			<u>\$ 11,312,767</u>

The long-term borrowing carried interest rate of 1.4985%~1.9051% as at December 31, 2022.

Information on interest expense recognized in profit or loss is provided in Note 6(28).

Note: In March 2021, the Company entered into a five-year syndicated loan agreement with 12 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$6,000,000. Since the second quarter of 2021, the loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

Based on the consolidated financial statements, the Company has not breached any undertaking under a long-term loan agreement as on December 31, 2023 and 2022.

(19) Pension plan

A. Defined benefit pension plan

- (a) The Company and the subsidiary, LIWANLI Innovation Co., Ltd., have defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and the subsidiary, LIWANLI Innovation Co., Ltd., contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

The Company applied for clearing the seniority of Labor Retirement Reserve Fund at December 26, 2022 and had been approved by Labor Affairs Department of New Taipei City Government, at January 31, 2023.

There was no employee eligible for the seniority of Labor Standards Act, after the subsidiary, LIWANLI Innovation Co., Ltd., paid the labor pensions in accordance with the payment standard of Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds on February 7, 2018. Therefore, the subsidiary, LIWANLI Innovation Co., Ltd., applied for the cancellation of the labor retirement reserve fund on March 21, 2018 and was not approved yet by Labor Affairs Department of New Taipei City Government.

- (b) The amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	(\$ 2,424)	(\$ 22,420)
Fair value of plan assets	38,842	49,772
Net defined benefit assets (shown as other non-current assets)	<u>\$ 36,418</u>	<u>\$ 27,352</u>

Note: Given the subsidiary, LIWANLI Innovation Co., Ltd., has no worker with seniority subject to the Labor Standards Act after paying off the labor pension in accordance with the payment criteria of the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds on February 7, 2018, LIWANLI Innovation Co., Ltd. applied the cancellation of the labor pension reserve account to Labor Affairs Department, New Taipei City Government on March 21, 2018. As of March 8, 2023, the application has not yet been approved by Labor Affairs Department, New Taipei City Government.

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

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2023			
Balance at January 1	(\$ 22,420)	\$ 49,772	\$ 27,352
Interest (expense) income	(302)	766	464
	(22,722)	50,538	27,816
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	120	120
Change in financial assumptions	182	-	182
Experience adjustments	8,254	-	8,254
	8,436	120	8,556
Pension fund contribution	-	46	46
Pension fund paid	11,862	(11,862)	-
Balance at December 31	(\$ 2,424)	\$ 38,842	\$ 36,418
	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2022			
Balance at January 1	(\$ 24,643)	\$ 45,149	\$ 20,506
Interest (expense) income	(177)	1,144	967
	(24,820)	46,293	21,473
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,562	2,562
Change in financial assumptions	1,667	-	1,667
Experience adjustments	733	-	733
	2,400	2,562	4,962
Pension fund contribution	-	917	917
Balance at December 31	(\$ 22,420)	\$ 49,772	\$ 27,352

- (d) The Bank of Taiwan was commissioned to manage the Fund of the defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	2023	2022
Discount rates	1.60%	1.35%
Future salary increasing rate	4.50%	4.50%

Assumptions regarding future mortality rate are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increasing rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 175)	\$ 189	\$ 376	(\$ 325)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 650)	\$ 673	\$ 1,300	(\$ 1,233)

The sensitivity analysis above is based on one assumption which changed while the other conditions that remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Company and the subsidiary, LIWANLI Innovation Co., Ltd., for the year ending December 31, 2024 amount to \$0.
- (g) As of December 31, 2023, the weighted average duration of the retirement plan is 33.8 years.

B. Defined contribution pension plan

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentages are between 13%~20%. Other than the monthly contributions, the Group has no further obligations.
- (c) The Company’s subsidiaries, ADATA INTEGRATION BRAZIL S/A. and ADATA ELECTRONICS BRAZIL S/A. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the Brazil are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were \$101,686 and \$80,182, respectively.

(20) Employee share-based payment/Subsequent event

A. The Group’s share-based payment arrangements were as follows:

(a) Shares of employee restricted stocks

i. 2020

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 27, 2020 and June 19, 2020, respectively. The employee restricted stocks were effective on October 13, 2020 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on December 10, 2020 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on January 4, 2021. The aforementioned restricted stocks were issued for the full-time employees.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Settlement method
Employee restricted shares	December 10, 2020	2,500,000 shares	2 years	Performance conditions achieved (Note 1)	Equity-settled

Note 1: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (i). 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (ii). 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

ii. 2023

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 13, 2023 and June 2, 2023, respectively. The employee restricted stocks were effective on October 24, 2023 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on November 8, 2023 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on December 8, 2023. The aforementioned restricted stocks were issued for the full-time employees.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Settlement method
Employee restricted shares	November 8, 2023	2,500,000 shares	2 years	Performance conditions achieved (Note 2)	Equity-settled

Note 2: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (i). 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (ii). 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend

distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

(b) Cash capital increase reserved for employee preemption

Type of arrangement	Grant date	Quantity granted	Contract period	Settlement method
Cash capital increase reserved for employee preemption	August 29, 2023	4,268,300 shares	N/A	Immediately vested

B. Details of the above share-based payment agreement are as follows:

(a) Shares of employee restricted stocks

	2023		2022	
	Amount	Weighted-average exercise price	Amount	Weighted-average exercise price
	(shares)	(in dollars)	(shares)	(in dollars)
Employee restricted shares outstanding at January 1	-	-	1,241,000	-
Issue employee restricted shares	2,500,000	-	-	-
Cancellation of employee restricted shares	-	-	(41,000)	-
Vested restricted shares to employees	-	-	(1,200,000)	-
Employee restricted shares outstanding at December 31	<u>2,500,000</u>	-	<u>-</u>	-

(b) Cash capital increase reserved for employee preemption

The number of shares granted during the third quarter of year 2023 totaled 4,286,300 shares, and the exercise price was \$62 (in dollar) per share, which had been fully subscribed at the time of issuance.

C. The relevant information of fair value of stock options granted is as follows:

(a) Shares of employee restricted stocks

i. 2020

Using Monte Carlo simulation model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise Price (in dollars)	Expected price Volatility (Note1)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee restricted shares	December 10, 2020	74.7	-	39.8%	2 years	9.7%	0.2113% ~0.2289%	62.60

Note 1: Expected price volatility rate was estimated by using the annualized standard deviation by using the daily rates of returns of the Company's historical stock prices.

ii. 2023

Using Monte Carlo simulation model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise Price (in dollars)	Expected price Volatility (Note2)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee restricted shares	November 8, 2023	96.3	-	41.1%	2 years	15.3%	1.1458% ~1.1731%	61.70

Note 2: Expected price volatility rate was estimated by using the annualized standard deviation by using the daily rates of returns of the Company's historical stock prices.

(b) Cash capital increase reserved for employee preemption

Using Black-Scholes model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise Price (in dollars)	Expected price Volatility (Note3)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	August 29, 2023	77.6	62.0	37.01%	0.0849 years	-	1.0556%	15.70

Note 3: The expected annualized stock price volatility is calculated with reference to the company's stock price in the recent year as the sample range.

D. Related effects incurred on share-based payment transactions are shown below:

(a) Wages and salaries

Wages and salaries incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2023	2022
Employee restricted shares	\$ 19,281	\$ 32,105
Cash capital increase reserved for employee preemption	67,012	-
	<u>\$ 86,293</u>	<u>\$ 32,105</u>

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2023	2022
Employee restricted shares	\$ 129,250	(\$ 2,157)
Cash capital increase reserved for employee preemption	67,012	-
	<u>\$ 196,262</u>	<u>(\$ 2,157)</u>

(21) Share capital

A. As of December 31, 2023, the Company's authorized capital was \$6,000,000, consisting of 600,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock

options), and the paid-in capital was \$2,959,654 with a par value of \$10 (in dollar) per share, equivalent to 295,965,448 shares. The Company's actual outstanding shares was 295,965,448 shares, net of treasury shares and awaiting retirement shares. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding, excluding treasury stock, are as follows: (unit: shares)

	2023	2022
At January 1	263,465,448	259,710,347
Cash capital increase	30,000,000	-
Conversion of convertible bonds	-	3,796,101
Issue employee restricted shares	2,500,000	-
Cancellation of employee restricted shares	-	(41,000)
At December 31	295,965,448	263,465,448

The board of directors resolved on July 10, 2023 to raise additional cash through the issuance of 30,000,000 ordinary shares with a par value at \$10 (in dollar) per share. The issue price was \$62 (in dollar) per share, and total amount raised was \$1,853,930. The record date of the capital increase was set on September 25, 2023, and registration of aforementioned transaction was completed.

B. Conversion of convertible bonds

For the years ended December 31, 2023 and 2022, the Company issued 0 and 3,796,101 shares of ordinary shares because of conversion of secured convertible bonds. The registration for part of the issuance of conversion was completed.

C. Treasury shares

(a) The Company

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

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	-	\$ -
		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ 204,870

- ii. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- iii. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged

as collateral and is not entitled to dividends before it is reissued to the employees.

- iv. Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the five-year period are to be retired.

- v. Details of repurchasing outstanding shares:

2020(10th)

On March 19, 2020, the Board of Directors of the Company resolved to purchase treasury shares. The expected number of shares to be repurchased was 6,000,000 shares, and the Company has repurchased 5,461,000 shares amounting to \$282,450. The Board of Directors of the Company has resolved to transfer 1,500,000 treasury stocks that the Company repurchased in 2020 for the tenth time to employees at a transfer price of \$45 on July 15, 2021. The grant date of the giving of shared-based payment is July 15, 2021. After the deduction of securities transaction tax, the amount of the securities transaction was \$67,297 and was transferred to the employees on July 15, 2021.

For the treasury shares had not been reissued within the three-year period, the Board of Directors of the Company resolved on July 10, 2023 to retire the shares with the record date set on July 10, 2023. The registration of aforementioned transaction was completed.

(b) The subsidiary

The subsidiary of the Company, LIWANLI Innovation Co., Ltd., and its subsidiaries is the subsidiary over which the Company has substantial control since June 30, 2017. Such investment on the Company's shares is a general investment. Details are as follows:

Name of company holding the shares	December 31, 2023	
	Number of shares	Carrying amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	780,000	\$ 40,549

Name of company holding the shares	December 31, 2022	
	Number of shares	Carrying amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	780,000	\$ 40,549

(22) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023								
	Share premium	Stock options	Changes in ownership interest in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of acquiring or disposing subsidiaries	Changes in equity of investment accounted for using the equity method	Employee restricted shares	Total
At January 1	\$5,591,218	\$ -	\$ 30,688	\$ 466	\$ 165,492	\$ -	\$ 967	\$ -	\$ 5,788,831
Cash capital increase	1,620,942	(67,012)	-	-	-	-	-	-	1,553,930
Cash capital increase reserved for employee preemption	-	67,012	-	-	-	-	-	-	67,012
Issue employee restricted shares	-	-	-	-	-	-	-	129,250	129,250
Adjustment of capital surplus for dividends issued to subsidiaries	-	-	-	-	1,560	-	-	-	1,560
Liquidation of subsidiaries	-	-	(12,059)	-	-	-	-	-	(12,059)
Return of employee stock ownership trust	-	-	-	-	1,096	-	-	-	1,096
Cancellation of treasury stocks	(82,266)	-	-	-	(82,994)	-	-	-	(165,260)
At December 31	<u>\$7,129,894</u>	<u>\$ -</u>	<u>\$ 18,629</u>	<u>\$ 466</u>	<u>\$ 85,154</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ 129,250</u>	<u>\$ 7,364,360</u>

	Share premium	Stock options	Changes in ownership interest in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of acquiring or disposing subsidiaries	Changes in equity of investment accounted for using the equity method	Employee restricted shares	Total
At January 1	\$5,354,765	\$ 5,786	\$ 23,801	\$ 466	\$ 152,177	\$ 10,708	\$ -	\$ 65,277	\$ 5,612,980
Reclassification	-	-	6,887	-	-	(6,887)	-	-	-
Conversion of convertible bonds	173,333	(5,762)	-	-	-	-	-	-	167,571
Cancellation of employee restricted stocks	-	-	-	-	-	-	-	(2,157)	(2,157)
Disposal of parent's shares by subsidiaries	-	-	-	-	8,515	-	-	-	8,515
Adjustment of capital surplus for dividends issued to subsidiary	-	-	-	-	4,781	-	-	-	4,781
Acquisition of subsidiaries interest	-	-	-	-	-	(3,821)	-	-	(3,821)
Vested employee restricted shares	63,120	-	-	-	-	-	-	(63,120)	-
Changes in equity of investment accounted for using the equity method	-	-	-	-	-	-	967	-	967
Return of employee stock ownership trust	-	-	-	-	19	-	-	-	19
Earlier redemption of convertible bonds	-	(24)	-	-	-	-	-	-	(24)
At December 31	<u>\$5,591,218</u>	<u>\$ -</u>	<u>\$ 30,688</u>	<u>\$ 466</u>	<u>\$ 165,492</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ -</u>	<u>\$ 5,788,831</u>

(23) Retained earnings

A. Earnings allocation under the Company's Articles of Incorporation

(a) After the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, the Company distributes earnings or offsets losses after the end of every half fiscal year. When distributing earnings, the Company shall first estimate and reserve an amount for employee bonuses and directors' remuneration in accordance with Article 32, Paragraph 1, and then allocate 10 % of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall also allocate or reserve the special reserve in accordance with the law. The Board of Directors shall prepare a dividend distribution proposal for any remaining amount along with undistributed earnings at the beginning of the period. If it is distributed in cash, it shall be decided by a majority vote in a Board meeting with at least two thirds of

directors in attendance, and the decision shall be reported during a shareholders' meeting for approval if it involves the issuance of new shares. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance and the decision shall be reported during a shareholders' meeting.

- (b) Before the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, if the Company's final accounts show a profit, the Company shall first pay taxes in accordance with the law and the offset accumulated losses, and then allocate 10% of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall then allocate or reverse the special reserve in accordance with the law.

The Board of Directors shall prepare a dividend distribution proposal for the amount remaining after distribution in the preceding paragraph plus undistributed earnings in previous years, and then submit the proposal to the shareholders' meeting for resolution.

The Company adopts the principle of steady and balance for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. Unappropriated earnings
- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be

included in the distributable earnings.

- (b) The amounts previously set aside by the Company as special reserve of \$138,382 on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-Order No.1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. Distribution of earnings

- (a) The distribution of earnings for the year ended December 31, 2023, has not yet been resolved.
- (b) On August 8, 2023, the Board of Directors passed a resolution that no surplus would be distributed in the first half of 2023.
- (c) The appropriations of earnings of years 2022 and 2021 as resolved by the shareholders on June 2, 2023, and June 14, 2022, respectively, are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 78,418		\$ 224,946	
(Reversal of) special reserve appropriated	(184,875)		78,098	
Cash dividends	<u>526,931</u>	2.0	<u>1,421,581</u>	5.5
	<u>\$ 420,474</u>		<u>\$ 1,724,625</u>	

(24) Other equity items

	2023			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 1,065,058)
Issue employee restricted shares	-	-	(154,250)	(154,250)
Compensation cost for employee restricted shares	-	-	19,281	19,281
Revaluation-gross:				
-Group	- (99,111)		- (99,111)	
-Tax on Group	- 7,340		- 7,340	
-Associates	- (200)		- (200)	
Revaluation transferred to retained earnings-gross:				
-Group	- (15,078)		- (15,078)	
Currency translation differences:				
-Group	88,850	-	-	88,850
-Tax on Group	(19,963)	-	-	(19,963)
-Associates	10,965	-	-	10,965
At December 31	<u>(\$ 475,328)</u>	<u>(\$ 616,927)</u>	<u>(\$ 134,969)</u>	<u>(\$ 1,227,224)</u>

	2022			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 1,284,605)
Cancellation of employee restricted shares	-	-	2,567	2,567
Compensation cost for employee restricted shares	-	-	32,105	32,105
Revaluation-gross:				
-Group	- (202,983)	- (202,983)	- (202,983)	- (202,983)
-Tax on Group	- 3,999	- 3,999	- 3,999	- 3,999
-Associates	- (913)	- (913)	- (913)	- (913)
Revaluation transferred to retained earnings-gross				
-Generated from consolidation	- 705	- 705	- 705	- 705
-Group	- 2,731	- 2,731	- 2,731	- 2,731
Currency translation differences:				
-Group	476,300	-	-	476,300
-Tax on Group	(95,334)	-	-	(95,334)
-Associates	370	-	-	370
At December 31	<u>(\$ 555,180)</u>	<u>(\$ 509,878)</u>	<u>\$ -</u>	<u>(\$ 1,065,058)</u>

(25) Operating revenue

A. The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Contract revenue					
<u>Year ended December 31, 2023</u>	<u>Country T</u>	<u>Country C</u>	<u>Country A</u>	<u>Country J</u>	<u>Others</u>	<u>Total</u>
Timing of revenue recognition						
At a point in time	\$ 4,500,151	\$ 11,802,019	\$ 13,055,629	\$ 1,259,201	\$ 3,059,200	\$ 33,676,200
Over time	61	8,521	-	-	-	8,582
	<u>\$ 4,500,212</u>	<u>\$ 11,810,540</u>	<u>\$ 13,055,629</u>	<u>\$ 1,259,201</u>	<u>\$ 3,059,200</u>	<u>\$ 33,684,782</u>
	Contract revenue					
<u>Year ended December 31, 2022</u>	<u>Country T</u>	<u>Country C</u>	<u>Country A</u>	<u>Country J</u>	<u>Others</u>	<u>Total</u>
Timing of revenue recognition						
At a point in time	\$ 6,658,207	\$ 10,947,958	\$ 12,402,625	\$ 1,217,267	\$ 3,608,240	\$ 34,834,297
Over time	1,274	91,370	-	-	-	92,644
	<u>\$ 6,659,481</u>	<u>\$ 11,039,328</u>	<u>\$ 12,402,625</u>	<u>\$ 1,217,267</u>	<u>\$ 3,608,240</u>	<u>\$ 34,926,941</u>

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities:			
Sales revenue and service revenue contract	<u>\$ 120,062</u>	<u>\$ 103,550</u>	<u>\$ 41,714</u>

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Sales revenue and service revenue contract	<u>\$ 103,550</u>	<u>\$ 41,714</u>

(26) Other income

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Rental revenue	\$ 26,886	\$ 29,996
Dividend income	25,685	67,936
Government grants	116,044	246,046
Other income	56,782	54,060
	<u>\$ 225,397</u>	<u>\$ 398,038</u>

(27) Other gains and (losses)

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Gains on disposal of property, plant and equipment	\$ 31	\$ 5,204
Losses on disposals of intangible assets	(134)	(35)
Losses on disposal of investments accounted for using the equity method	(3,665)	(47)
Gains on lease modification – contract termination	81	26
Net currency exchange gains	162,475	362,138
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	110,057	(552,609)
Gains on redemption of payable bonds	-	24
Impairment loss of property, plants and equipment	(100,000)	-
Impairment loss of intangible assets	(141,653)	-
Losses on revaluation of investments accounted for using the equity method	-	(22,322)
Losses on impairment of investments accounted for under equity method	(93,364)	-
Depreciation charges on investment property	(4,494)	(4,493)
Gains on disposal of investment	11,916	-
Other losses	(35,317)	(103,597)
	<u>(\$ 94,067)</u>	<u>(\$ 315,711)</u>

(28) Finance costs

	Years ended December 31,	
	2023	2022
Bank borrowings	\$ 634,091	\$ 332,490
Lease liabilities	13,245	2,372
Amortization of bond discount	-	1,854
	<u>\$ 647,336</u>	<u>\$ 336,716</u>

(29) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	<u>\$ 2,667,640</u>	<u>\$ 2,142,238</u>
Depreciation charges on property, plant and equipment	<u>\$ 333,091</u>	<u>\$ 301,713</u>
Depreciation charges on right-of-use assets	<u>\$ 59,835</u>	<u>\$ 48,602</u>
Amortisation charges on intangible assets	<u>\$ 63,835</u>	<u>\$ 65,429</u>

(30) Employee benefit expenses

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 2,212,176	\$ 1,764,347
Labour and health insurance fees	196,903	168,770
Pension costs	101,222	79,215
Directors' remuneration	33,299	23,441
Other personnel expenses	124,040	106,465
	<u>\$ 2,667,640</u>	<u>\$ 2,142,238</u>

A. The Company's Articles of Incorporation provides that, if the Company has any profit for the current year, the Company ratio shall not be lower than 1% for employees' compensation in the form of shares or in cash as resolved by the Board of Directors. For employees of subsidiaries of the company meeting certain specific requirements can share the distribution, the qualification requirements are set by the Chairman of the Board. The Group can distribute directors' and supervisors' remuneration no higher than 1%.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, if a company has accumulated deficit, earnings should be used in offsetting losses, then distributed as the employees' compensation and directors' and supervisors' remuneration in accordance with above mentioned proportion.

- B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$89,314 and \$43,691, respectively; directors' and supervisors' remuneration was accrued at \$17,865 and \$8,738, respectively. The aforementioned amounts were recognized in salary expenses.

For the year ended December 31, 2023, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year as of the end of reporting period.

Employees' compensation and directors' and supervisors' remuneration of 2022 amounting to \$43,691 and \$8,738, respectively, as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 financial statements. As of December 31, 2023, the amounts of \$43,691 and \$8,738 were distributed in the form of cash, respectively.

- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current income tax liabilities	\$ 118,895	\$ 123,560
Current income tax assets	(82,847)	(135,625)
Prior year refundable tax	79,531	12,652
Prepaid income tax	150,819	217,444
Prior year income tax overestimation	(20,035)	(70,884)
Tax on undistributed surplus earnings	(14,988)	-
Total current tax	231,375	147,147
Deferred tax:		
Origination and reversal of temporary differences	232,217	44,115
Other:		
Tax on undistributed surplus earnings	14,988	-
Effect on exchange rate	2,830	8,120
Income tax expense	<u>\$ 481,410</u>	<u>\$ 199,382</u>

(b) The Group did not have income tax debited or credited to equity. The income tax expense (benefit) relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 7,340)	(\$ 3,999)
Currency translation differences	19,963	95,334
Remeasurement of defined benefit obligations	1,711	993
	<u>\$ 14,334</u>	<u>\$ 92,328</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 757,927	\$ 600,600
Tax exempt income by tax regulation	(165,644)	(303,603)
Non-deductible taxable losses on not exceeded tax-exemption of domestic dividend income	-	11,410
Gains on domestic investments accounted for using equity the method	(115,857)	(113,087)
Losses on domestic investments accounted for using the equity method	24,477	22,175
Impairment loss on investments accounted for using equity method	18,673	-
Tax-exemption of domestic dividend income	(4,491)	(14,315)
Taxable loss not recognised as deferred tax assets	27,031	8,698
Use of unrecognised deferred tax assets of past years	(709)	-
Prior year income tax under(over)estimation	(20,035)	(70,884)
Tax on undistributed surplus earnings	14,988	-
Others	(54,950)	58,388
Income tax expense	<u>\$ 481,410</u>	<u>\$ 199,382</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	2023			
	January 1	Recognised in profit or (loss)	Recognised in other comprehensive income or (loss)	December 31
Deferred income tax assets:				
-Temporary differences:				
Loss on inventory valuation	\$ 69,587	(\$ 44,499)	\$ -	\$ 25,088
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	62,246	(7,699)	-	54,547
Payable for unpaid annual leave	6,432	(879)	-	5,553
Provisions for liabilities	6,114	2,373	-	8,487
Unrealised gain on valuation of financial assets	8,613	-	7,340	15,953
Unrealised loss on domestic investments accounted for using the equity method	86,495	12,711	-	99,206
Currency translation differences	138,794	-	(19,963)	118,831
Unrealised foreign exchange loss	2,675	(2,675)	-	-
Others	2,520	(930)	-	1,590
-Tax losses	12,004	(6,500)	-	5,504
Subtotal	405,643	(48,098)	(12,623)	344,922
Deferred tax liabilities:				
-Temporary differences:				
Net defined benefit asset	(5,076)	-	(1,711)	(6,787)
Unrealised gains on valuation	(1,644)	1,644	-	-
Unrealised gain on investments	(1,024,584)	(168,090)	-	(1,192,674)
Unrealised gain on exchange	-	(15,686)	-	-
Others	(858)	(1,987)	-	(2,845)
Subtotal	(1,032,162)	(184,119)	(1,711)	(1,202,306)
	(\$ 626,519)	(\$ 232,217)	(\$ 14,334)	(\$ 857,384)

2022				
	January 1	Recognised in profit or (loss)	Recognised in other comprehensive income or (loss)	December 31
Deferred income tax assets:				
-Temporary differences:				
Loss on inventory valuation	\$ 22,655	\$ 46,932	\$ -	\$ 69,587
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	1,913	60,333	-	62,246
Payable for unpaid annual leave	5,760	672	-	6,432
Provisions for liabilities	1,825	4,289	-	6,114
Unrealised gain on valuation of financial assets	4,614	-	3,999	8,613
Unrealised loss on domestic investments accounted for using the equity method	31,145	55,350	-	86,495
Currency translation differences	234,128	-	(95,334)	138,794
Unrealised foreign exchange loss	1,424	1,251	-	2,675
Others	7,078	(4,558)	-	2,520
-Tax losses	8,688	3,316	-	12,004
Subtotal	329,393	167,585	(91,335)	405,643
Deferred tax liabilities:				
-Temporary differences:				
Net defined benefit asset	(3,885)	(198)	(993)	(5,076)
Unrealised gains on valuation	(10,478)	8,834	-	(1,644)
Unrealised gain on investments	(796,403)	(228,181)	-	(1,024,584)
Others	(8,703)	7,845	-	(858)
Subtotal	(819,469)	(211,700)	(993)	(1,032,162)
	(\$ 490,076)	(\$ 44,115)	(\$ 92,328)	(\$ 626,519)

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023					
	Year incurred	Deductible tax loss	Unused amount	Unrecognised deferred tax assets	Expiry year
Zhao-Xing Investment Co., Ltd.	2014-2021	\$ 213,988	\$ 204,980	\$ 204,980	2024-2031
CI CAI GUANG Biotechnology Agricultural Co., Ltd.	2014-2023	\$ 36,476	\$ 36,476	\$ 36,476	2024-2033
Jiou Long Agricultural Biotechnology Co., Ltd.	2014-2023	\$ 2,780	\$ 2,780	\$ 2,780	2024-2033
Long Tian Agricultural Biotechnology Co., Ltd.	2014-2023	\$ 40,561	\$ 40,561	\$ 40,561	2024-2033
Awayspeed Technology Company Limited	2020-2023	\$ 15,484	\$ 15,484	\$ 15,484	2030-2033
FULLSUNGLOBAL DEVELOPMENT CO., LTD.	2022-2023	\$ 93,844	\$ 93,844	\$ 93,844	2032-2033
ADATA INTEGRATION	2023	\$ 34,590	\$ 27,940	\$ 27,940	Unlimited duration
LIWANLI Innovation Co., Ltd.	2015-2023	\$ 168,962	\$ 168,962	\$ 168,962	2025-2033

December 31, 2022

	Year incurred	Deductible tax loss	Unused amount	Unrecognised deferred tax assets	Expiry year
Zhao-Xing Investment Co., Ltd.	2014-2021	\$ 213,988	\$ 213,988	\$ 213,988	2024-2031
CI CAI GUANG Biotechnology Agricultural Co., Ltd.	2013-2022	\$ 37,064	\$ 37,064	\$ 37,064	2023-2032
Jiou Long Agricultural Biotechnology Co., Ltd.	2013-2022	\$ 3,117	\$ 3,117	\$ 3,117	2023-2032
Long Tian Agricultural Biotechnology Co., Ltd.	2013-2022	\$ 40,209	\$ 40,209	\$ 40,209	2023-2032
Awayspeed Technology Company Limited	2020-2022	\$ 12,334	\$ 12,334	\$ 12,334	2030-2032
FULLSUNGLOBAL DEVELOPMENT CO., LTD.	2022	\$ 30,084	\$ 30,084	\$ 30,084	2032
ADATA INTEGRATION	2018-2021	\$ 114,012	\$ 78,705	\$ 78,705	Unlimited duration
LIWANLI Innovation Co., Ltd.	2012-2021	\$ 196,115	\$ 196,115	\$ 196,115	2022-2031

E. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Accumulated impairment loss accounted for using equity method	\$ 241,596	\$ 148,232
Impairment loss on biological assets	13,722	10,279
Inventory valuation losses	132,764	132,031
Investment gains on foreign subsidiaries	88,049	84,325
Unpaid bonus	7,776	12,637
Others	5,896	5,993
	<u>\$ 489,803</u>	<u>\$ 393,497</u>

F. The information of the Group's income tax assessment is as follows:

	Assessment status
The Company	Assessed till 2020
ZHAO-XING INVESTMENT CO., LTD,	Assessed till 2021
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.,	
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.,	
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.,	
Awayspeed Technology Company Limited,	
WE LEAD BIOTECH CO.,LTD.,	
Zhen Lian Investment Co., Ltd,	
Hong Qi Investment Co., Ltd,	
LIWANLI Innovation Co., Ltd.	

G. The Group is within the scope of the Pillar Two model rules published by the Organization of Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in Netherland and Japan, the jurisdictions in which ADATA TECHNOLOGY B.V. and ADATA TECHNOLOGY (JAPAN) CO. LTD. are incorporated, and will come effect from January 1, 2024, the Group has no related current tax exposure as of December 31, 2023.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Group is currently engaged with tax specialists to assist it with applying the legislation.

(32) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,409,388</u>	<u>270,740</u>	<u>\$ 5.21</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,409,388	270,740	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	990	
-Employee restricted shares	<u>-</u>	<u>183</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,409,388</u>	<u>271,913</u>	<u>\$ 5.18</u>

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 829,584</u>	<u>260,382</u>	<u>\$ 3.19</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 829,584	260,382	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,040	
-Convertible bonds	2,303	911	
-Employee restricted shares	<u>-</u>	<u>1,152</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 831,887</u>	<u>263,485</u>	<u>\$ 3.16</u>

(33) Transactions with non-controlling interest

A. Acquisition of additional equity interest of subsidiaries

(a) For the year ended December 31, 2023: None.

(b) For the year ended December 31, 2022:

- i. In the period between August 1, 2022 to December 31, 2022, the Company acquired an additional 3.65% of shares of its subsidiary—LIWANLI Innovation Co., Ltd. for a total cash consideration of \$58,265. The effect of changes in interests in LIWANLI Innovation Co. Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	Year ended December 31,2022
Consideration paid to non-controlling interest	(\$ 58,265)
Decrease in carrying amount of non-controlling interest	30,107
	<u>(\$ 28,158)</u>
Capital surplus	
- difference between proceeds on actual acquisition of or disposal of equity interest of subsidiaries and its carrying amount	(\$ 3,821)
Reduction of unappropriated retained earnings	(24,337)
	<u>(\$ 28,158)</u>

ii. On October 19, 2022, the Company acquired an additional 23.34% of outstanding shares of its subsidiary - FULLSUNGGLOBAL DEVELOPMENT Co., Ltd. for total cash consideration of \$92,400. The effect of changes in interests of FULLSUNGGLOBAL DEVELOPMENT Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown as follows:

	Year ended December 31,2022
Consideration paid to non-controlling interest	(\$ 92,400)
Decrease in carrying amount of non-controlling interest	71,158
Reduction of unappropriated retained earnings	<u>(\$ 21,242)</u>

B. Disposal of equity interest of subsidiaries (yet to lose the power of control)

(a) For the year ended December 31, 2023: None.

(b) For the year ended December 31, 2022:

On August 24, 2022, the Company's subsidiary—WE LEAD BIOTECH CO., LTD. disposed of 0.38% of shares of Company's subsidiary—LIWANLI Innovation Co., Ltd. for a total cash consideration of \$5,887. The effect of changes in interests in LIWANLI Innovation Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	Year ended December 31,2022
Consideration received from non-controlling interest	\$ 5,887
Increase on carrying amount of non-controlling interest	(6,244)
Reduction of unappropriated retained earnings	<u>(\$ 357)</u>

C. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

(a) For the year ended December 31, 2023:

Subsidiary FULLSUNGGLOBAL DEVELOPMENT CO., LTD. and ADATA

SEMICONDUCTOR PVT. LTD. of the Group increased its capital by issuing new shares. The Group did not acquire shares proportionally to its interest. The effect of changes in interests on the equity attributable to owners of the parent and non-controlling interest are provided in consolidated statements of changes in equity.

(b) For the year ended December 31, 2022: None.

(34) Business combinations

A. Including WE LEAD BIOTECH CO., LTD. as a consolidated entity

- (a) The Company has 39.41% of equity interest of WE LEAD BIOTECH CO., LTD. and is the largest shareholder of it. As the General Manager is appointed by the Company, the Company has control over WE LEAD BIOTECH CO., LTD. in substance, and was included in the consolidated financial statements since June 1, 2022. WE LEAD BIOTECH CO., LTD. is a web portal services provider. As a result of the acquisition, the Group is expected to expand its product distribution channels in the market.
- (b) The following table summarizes the consideration paid for WE LEAD BIOTECH CO., LTD. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	June 1, 2022
Fair value of equity interest in WE LEAD BIOTECH CO., LTD. held before the business combination	\$ 3,117
Non-controlling interest proportionate share of recognised amount of acquiree's identifiable net assets	4,793
	<u>\$ 7,910</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	\$ 2,347
Accounts receivable, net	438
Prepayments	57
Investments accounted for using the equity method	5,916
Other payables	(718)
Other current liabilities	(110)
Other non-current liabilities	(20)
Total item identifiable net assets	<u>7,910</u>
Goodwill	<u>\$ -</u>

- (c) The Group recognized a loss of (\$9,698) as a result of remeasuring at fair value its 39.41% equity interest in WE LEAD BIOTECH CO., LTD. held before the business combination.
- (d) The operating revenue and the profit(loss) before income tax included in the consolidated statement of comprehensive income since June 1, 2022 contributed by WE LEAD BIOTECH CO., LTD. were \$374 and \$495, respectively. Had WE LEAD BIOTECH CO., LTD. been consolidated from January 1, 2022, the consolidated statement of comprehensive income

would increase operating revenue of \$1,000 and the profit before income tax of \$1,239.

B. Including FULLSUNGLOBAL DEVELOPMENT Co., Ltd. as a consolidated entity

- (a) The equity interests of FULLSUNGLOBAL DEVELOPMENT Co., Ltd. that was originally held by the Company was less than 50%. In the third quarter of 2022, the Company acquired equity interests of FULLSUNGLOBAL DEVELOPMENT Co., Ltd. from other shareholders, and participated in the capital increase raised by FULLSUNGLOBAL DEVELOPMENT Co., Ltd., resulting in the Company's shareholding ratio to increase by 55.45% and was included in the consolidated financial statement since September 23, 2022. As a result of the acquisition, the Group is expected to expand its business scope, including operating business of cultural education, cultural creativity, art exhibition and sales of catering, etc., in the future.
- (b) The following table summarizes the consideration paid for FULLSUNGLOBAL DEVELOPMENT Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	<u>September 23, 2022</u>
Purchase consideration	\$ 73,000
Fair value of equity interest in FULLSUNGLOBAL DEVELOPMENT Co., Ltd. held before the business combination	97,495
Non-controlling interest proportionate share of recognised amount of acquiree's identifiable net assets	<u>136,981</u>
	<u>\$ 307,476</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	\$ 233,827
Prepayments	2,269
Property, plant and equipment	1,477
Intangible assets	8,411
Refundable deposits	40,050
Other non-current assets	23,277
Other payables	(1,799)
Other current liabilities	(36)
Total item identifiable net assets	<u>307,476</u>
Goodwill	<u>\$ -</u>

- (c) The Group recognized a loss of (\$12,624) as a result of remeasuring at fair value its equity interest in FULLSUNGLOBAL DEVELOPMENT Co., Ltd. held before the business combination.
- (d) The operating revenue and the profit(loss) before income tax included in the consolidated statement of comprehensive income since September 23, 2022 contributed by FULLSUNGLOBAL DEVELOPMENT Co., Ltd. were \$3,885 and (\$20,342), respectively. Had FULLSUNGLOBAL DEVELOPMENT Co., Ltd. been consolidated from January 1,

2022, the consolidated statement of comprehensive income would increase operating revenue by \$0 and the loss before income tax by (\$22,524).

(35) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 597,816	\$ 4,071,631
Add: Opening balance of payable on equipment	19,009	3,334
Less: Ending balance of payable on equipment	(44,421)	(19,009)
Cash paid during the year	<u>\$ 572,404</u>	<u>\$ 4,055,956</u>

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2023	2022
Acquisition of right-of-use assets	\$ 285,524	\$ 416,283
Less: Additional lease liabilities during the year	(285,524)	(416,283)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

	Years ended December 31,	
	2023	2022
Convertible bonds converted to capital stocks	<u>\$ -</u>	<u>\$ 205,532</u>

(36) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2023	\$ 5,389,012	\$ 200,000	\$ -	\$ 11,877,248	\$ 426,413
Increase in cash flow from financing activities	4,871,199	900,000	-	13,851,430	-
Decrease in cash flow from financing activities	-	-	-	(15,664,672)	(291,518)
Increase in lease liabilities	-	-	-	-	285,524
Changes in other non-cash items	-	-	-	-	606
At December 31, 2023	<u>\$ 10,260,211</u>	<u>\$ 1,100,000</u>	<u>\$ -</u>	<u>\$ 10,064,006</u>	<u>\$ 421,025</u>

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2022	\$ 8,950,340	\$ 500,000	\$ 206,105	\$ 4,774,106	\$ 58,063
Increase in cash flow from financing activities	-	-	-	13,313,883	-
Decrease in cash flow from financing activities	(3,561,328)	(300,000)	(900)	(6,210,741)	(47,430)
Increase in lease liabilities	-	-	-	-	416,283
Amortisation of discounts on bonds payable	-	-	1,854	-	-
Changes in other non-cash items	-	-	(207,059)	-	(503)
At December 31, 2023	<u>\$ 5,389,012</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 11,877,248</u>	<u>\$ 426,413</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
IROC Co., Ltd.	Associates
WE LEAD BIOTECH CO.,LTD.	Subsidiary (Associates before June 1, 2022)
FULLSUNGLOBAL DEVELOPMENT Co., Ltd.	Subsidiary (Associates before September 23, 2022)
ATrack Technology Inc.	Associates
All In Digital Co., Ltd.	Associates
Taiwan Biomedical Company	Associates
XRIDER INDUSTRIAL CO., LTD.	Associates
Life Plus Co., Ltd.	Associates
Function (Qingdao) Marine Technology Co., Ltd.	Associates
Baasid International Lab Co., Ltd.	Associates
Taiwan Sports Lottery Co., Ltd.	Joint ventures
ATESTINC CO., LTD.	Other related party
Zhaolong Investment Co., Ltd.	Other related party
Esmond Natural (Taiwan) Co., Ltd.	Other related party
Baoda Investment Co., Ltd.	Other related party
All directors and officials above VP	The Group's key management and governance

(2) Significant related party transactions and balances

A. Issuance of lottery

Other receivables

To obtain the issuance right for sports lottery, the Group issued a performance guarantee of \$2,000,000. The guarantee period is 10.5 years. The information on other receivables from related parties arising from guaranteed expenses, interest expenses and payments on behalf of others is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Joint ventures	<u>\$ 48,158</u>	<u>\$ 37,197</u>

Additionally, in order to commit to the above performance guarantee, the amounts of collateral, which consists of a time deposit provided by joint ventures, were both \$100,610 as of December 31, 2023 and 2022.

B. Lottery management revenue

(a) Other income

Other income arising from rendering management services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Joint ventures	<u>\$ 14,818</u>	<u>\$ 15,053</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	December 31, 2023	December 31, 2022
Joint ventures	\$ 14,818	\$ 15,053

C. Guarantee

The Group entered into a loan agreement with banks. Part of the loan is collateralized by the key management of the Group.

D. Other transactions

Since the amount of sales transactions, purchases of goods, property transactions, certification and consulting service provided by related parties, lease and miscellaneous transaction are assessed to be immaterial, the details of those transactions will not be disclosed.

E. Dividend income

(a) Investments accounted for using the equity method

Dividend income arising from investment in associates (shown as deduction of investment accounted for using the equity method) is as follows:

	Years ended December 31,	
	2023	2022
Joint ventures	\$ 373,100	\$ 300,000
Associates	-	1,350
	<u>\$ 373,100</u>	<u>\$ 301,350</u>

(b) Other receivables

As of December 31, 2023 and 2022, other receivables arising from aforementioned transactions were both \$0.

F. Acquisition of financial assets

For the year ended December 31, 2023: None

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2022 Consideration
Taiwan Sports Lottery Co., Ltd.	Investments accounted for using the equity method	3,700,000	Shares	\$ 133,200
FULLSUNGLOBAL DEVELOPMENT Co., Ltd.	Investments accounted for using the equity method	7,300,000	Shares	73,000
XRIDER INDUSTRIAL Co., Ltd.	Investments accounted for using the equity method	600,000	Shares	9,000
				<u>\$ 215,200</u>

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 149,832	\$ 199,591
Post-employment benefits	917	1,061
Shared-based payments	12,535	13,083
	<u>\$ 163,284</u>	<u>\$ 213,735</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at amortised cost-current	\$ 1,000,000	\$ 1,175,585	Pledged to Ministry of Education, credit facility, short-term borrowings
Financial assets at amortised cost-non-current	1,768	1,745	Customs guarantee for imported goods
Property, plant and equipment	5,849,877	5,703,122	Credit facility
Investment property	45,127	45,509	Credit facility
Guarantee deposits	52,562	40,000	Escrow
	<u>\$ 6,949,334</u>	<u>\$ 6,965,961</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognized contract commitments

- A. As of December 31, 2023 and 2022, the Group issued promissory notes for borrowing facilities, issuance of bonds payable, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$29,831,275 and \$26,791,484, respectively.
- B. As of December 31, 2023 and 2022, the amount of commitments for inventory purchasing and expanding and improving factory buildings were \$59,071 and \$11,549, respectively.
- C. As of December 31, 2023 and 2022, the amount of outstanding letters of credit for inventory purchases and provision of endorsements and guarantees of the Group were \$610,050 and \$1,334,880, respectively.
- D. As of December 31, 2023 and 2022, the facility amount of guarantees endorsed by the Group for others were \$0 and \$985,266 respectively; and the actual drawn down amount were \$0 and \$314,011, respectively.
- E. According to the regulation of entrusted operation contract of "Taoyuan City OT Case of Filming

Facility”, the unrecognized contract commitments that should be performed in the future by the Group’s subsidiary are as follows:

- (a) The subsidiary promised to operate for 20 years starting the day after handing over date, and pay the operating entitlement premiums and rents, according to the contract.
 - (b) The paid-in capital shall not be less than \$220,000, and shall not be arbitrarily reinvested, reduced and disposed of its assets.
 - (c) The subsidiary shall purchase related operating equipment, and the amount of purchase shall not be less than \$220,000 (including tax).
 - (d) During the contract period, the subsidiary shall provide rewards amounting to not less than \$10,000 every year according to the advertised listed items referred in the investment plan.
- F. According to “Subscription Agreement related to 1686 Partners Fund SCSp”, the Company required to contribute amounts to the Partnership up to an aggregate amount equal to USD 25,000 thousand which will be paid in installments over the duration of the fund. As of December 31, 2023, the Company has paid a total of USD 7,075 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) The Board of Directors of the Company resolved to invest an amount of \$110,000 to incorporate a subsidiary—CHUNGTAI Media Center Co., Ltd. with a 100% equity interest on January 17, 2024.
- (2) The Board of Directors of the Company resolved to participate in the cash capital increase raised by TAISIS TECHNOLOGIES Co., Ltd.’s with an amount of \$290,000 on January 17, 2024. The shareholding ratio after subscription of capital increase is 13.67%.
- (3) The Board of Directors of the Company resolved to participate in the cash capital increase raised by a subsidiary—FULLSUNGLOBAL DEVELOPMENT Co., Ltd.’s with an expected investment amount of \$100,000 on March 8, 2024. The expected shareholding ratio increases from 82.50% to 86.00% after subscription of capital increase.

12. OTHERS

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

Throughout the year 2023, the Group’s strategy, was unchanged from 2022. As of December 31,

2023 and 2022, the debt to assets ratio was provided in the consolidated balance sheets.

(2) Financial instruments

A. Financial instruments by category

Please refer to the consolidated balance sheets and related information in Note 6 for the Group's financial assets (cash and cash equivalents, financial assets at fair value through profit or loss – current, financial assets at amortized cost–current, notes receivable, accounts receivable, other receivables (including related parties), financial assets at fair value through profit or loss–non-current, financial assets at fair value through other comprehensive income–non-current, financial assets at amortized cost–non-current and guarantee deposits paid) and financial liabilities (short-term borrowings, short-term notes, financial liabilities at fair value through profit or loss – current, bills payable, notes payable, accounts payable (including related parties), other payables, lease liability–(current and non-current), long-term borrowings (including current portion), and guarantee deposits received).

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

- (i) The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- (ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

- (iii) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: U.S. dollars, RMB, Hong Kong dollars, Japanese dollars, Brazilian dollars, India Rupees, Mexico Pesos, and Euro). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	170,692	30.7050	\$ 5,241,098
USD:RMB	187,722	7.0961	5,764,004
USD:HKD	12,704	7.8150	390,076
JPY:NTD	149,510	0.2172	32,474
<u>Non-monetary items</u>			
USD:NTD	10,570	30.7050	324,552
USD:HKD	12,476	7.8150	383,076
RMB:HKD	94,803	1.1032	104,587
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	532,578	30.7050	16,352,807
USD:RMB	322,140	7.0961	9,891,309
USD:HKD	25,985	7.8150	797,869
USD:BRL	8,179	4.8421	251,136

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	163,654	30.7100	\$ 5,025,814
USD:RMB	170,476	6.9669	5,235,318
USD:HKD	14,814	7.7984	454,938
JPY:NTD	14,121	0.2324	3,282
<u>Non-monetary items</u>			
USD:NTD	2,593	30.7100	79,631
HKD:NTD	1,278	3.9380	5,033
USD:HKD	1,594	7.7984	48,952
RMB:HKD	88,254	1.1193	389,024
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	194,756	30.7100	5,980,957
USD:RMB	147,058	6.9669	4,516,151
USD:HKD	33,252	7.7984	1,021,169
USD:BRL	12,158	5.2812	373,372

- (iv) Please refer to Note 6(27) for the total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022.

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	52,411	\$ -
USD:RMB	1%		57,640	-
USD:HKD	1%		3,901	-
JPY:NTD	1%		325	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(	163,528)	-
USD:RMB	1%	(	98,913)	-
USD:HKD	1%	(	7,979)	-
USD:BRL	1%	(	2,511)	-
Year ended December 31, 2022				
Sensitivity analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	50,258	\$ -
USD:RMB	1%		52,353	-
USD:HKD	1%		4,549	-
JPY:NTD	1%		33	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(	59,810)	-
USD:RMB	1%	(	45,162)	-
USD:HKD	1%	(	10,212)	-
USD:BRL	1%	(	3,734)	-

ii. Price risk

- (i) The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- (ii) The Group's investments in equity securities comprise shares, open-end funds, gold passbook and financial products issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$7,549 and \$3,699 respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$9,620 and \$10,019, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
- (ii) The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$214,242 and \$174,663, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss.

- ii. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. Credit risk of investments in debt instruments at amortized cost refers to the risk of financial loss to the Group arising from default by the counterparties on the contract obligations. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- iv. Based on historical experience, if the contract payments were past due over 31 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group adopts the assumptions under historical experience, the default occurs when the contract payments are past due over 91 days.
- vi. The Group classifies customers' accounts receivable in accordance with geographic area and the nature of customer risk. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. In terms of default financial assets, the Group will continue executing the recourse procedures to secure their rights. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.

- ix. The Group used the forecastability of future economic situation to adjust historical and timely information to assess the default possibility of notes and accounts receivable and overdue receivable. The provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2023</u>					
Expected loss rate	0.03%~2.01%	0.21%~47.07%	100%	100%	
Notes receivable	\$ 97,097	\$ -	\$ -	\$ -	\$ 97,097
Accounts receivable	3,567,677	834,522	17,265	-	4,419,464
Over due receivable	-	-	-	324	324
Total book value	<u>\$ 3,664,774</u>	<u>\$ 834,522</u>	<u>\$ 17,265</u>	<u>\$ 324</u>	<u>\$ 4,516,885</u>
Loss allowance	<u>(\$ 6,070)</u>	<u>(\$ 30,707)</u>	<u>(\$ 17,265)</u>	<u>(\$ 324)</u>	<u>(\$ 54,366)</u>
	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2022</u>					
Expected loss rate	0.03%~1.28%	0.21%~31.70%	100%	100%	
Notes receivable	\$ 23,025	\$ -	\$ -	\$ -	\$ 23,025
Accounts receivable	3,902,000	430,522	52,879	-	4,385,401
Over due receivable	-	-	-	81	81
Total book value	<u>\$ 3,925,025</u>	<u>\$ 430,522</u>	<u>\$ 52,879</u>	<u>\$ 81</u>	<u>\$ 4,408,507</u>
Loss allowance	<u>(\$ 2,307)</u>	<u>(\$ 6,786)</u>	<u>(\$ 52,879)</u>	<u>(\$ 81)</u>	<u>(\$ 62,053)</u>

Aging analysis is based on the number of days overdue.

- x. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	2023		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 61,972)	(\$ 81)	(\$ 62,053)
Expected credit (losses) gains	7,970	-	7,970
Derecognised	37	-	37
Reclassifications	243	(243)	-
Effect of exchange rate changes	(320)	-	(320)
At December 31	<u>(\$ 54,042)</u>	<u>(\$ 324)</u>	<u>(\$ 54,366)</u>
	2022		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 7,980)	(\$ 166)	(\$ 8,146)
Expected credit (losses) gains	(60,470)	2,150	(58,320)
Derecognised	9	6,771	6,780
Reclassifications	8,896	(8,896)	-
Effect of exchange rate changes	(2,427)	60	(2,367)
At December 31	<u>(\$ 61,972)</u>	<u>(\$ 81)</u>	<u>(\$ 62,053)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2023 and 2022, the Group held aforementioned investments (excluding cash and cash equivalents) position of \$316,011 and \$164,254, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Floating rate:		
Expiring within one year	\$ 13,230,489	\$ 15,902,184
Expiring beyond one year	<u>1,738,000</u>	<u>50,000</u>
	<u>\$ 14,968,489</u>	<u>\$ 15,952,184</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2024.

- iv. The Group's derivative financial liabilities and non-derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the contractual maturity date. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year and the amount of the Company's non-derivative financial liabilities were in line with the amount recognized in the balance sheet. The contractual undiscounted cash flows are disclosed as follows:

(i) Non-derivative financial liabilities

<u>December 31, 2023</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 55,707	\$ 493,847	\$ 549,554
Long-term borrowings (including current portion)	740,565	9,955,558	10,696,123

<u>December 31, 2022</u>	Less than <u>1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 36,295	\$ 531,528	\$ 567,823
Long-term borrowings (including current portion)	658,312	11,567,076	12,225,388

(ii) Derivative financial liabilities

As of December 31, 2023 and 2022, the Group's derivative financial liabilities expiring beyond one year were both \$0.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in partial unlisted stocks and forward exchange contracts are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Group's investment in partial unlisted stocks and beneficiary certificates are included.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables (including related parties), current financial assets at amortized cost, non-current financial assets at amortized cost, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, lease liabilities (current/non-current), long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets (liabilities) at fair value through profit or loss				
- Equity securities and beneficiary certificates	\$ 315,553	\$ -	\$ 438,847	\$ 754,400
- Derivative instruction	-	275	-	275
Financial assets at fair value through other comprehensive income				
- Equity securities	440,743	56,021	465,237	962,001
	<u>\$ 756,296</u>	<u>\$ 56,296</u>	<u>\$ 904,084</u>	<u>\$ 1,716,676</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets (liabilities) at fair value through profit or loss				
- Equity securities, beneficiary certificates and financial products	\$ 154,375	\$ 4,037	\$ 205,651	\$ 364,063
- Derivative instruction	-	5,842	-	5,842
Financial assets at fair value through other comprehensive income				
- Equity securities	336,427	-	665,490	1,001,917
	<u>\$ 490,802</u>	<u>\$ 9,879</u>	<u>\$ 871,141</u>	<u>\$ 1,371,822</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed, OTC and emerging stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- v. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the year ended December 31, 2023 and 2022:

	2023		
	Financial assets at fair value	Financial assets at fair value through other	
	through profit or loss	comprehensive income	Total
At January 1	\$ 205,651	\$ 665,490	\$ 871,141
Acquired in the period	249,522	13,501	263,023
Sold in the period	- (	83,955) (	83,955)
Reclassification of long-term equity investment	- (	42,165) (	42,165)
Capital reduction	- (	8,217) (	8,217)
Transfer into Level 1 (Note 1)	- (	29,846) (	29,846)
Transfer into Level 2 (Note 2)	- (	66,052) (	66,052)
Recognised in income(loss)	(16,326)	- (	16,326)
Recognised in other comprehensive income(loss)	-	16,481	16,481
At December 31	<u>\$ 438,847</u>	<u>\$ 465,237</u>	<u>\$ 904,084</u>

	2023		
	Financial assets at fair value	Financial assets at fair value through other	
	through profit or loss	comprehensive income	Total
At January 1	\$ -	\$ 518,704	\$ 518,704
Acquired in the period	166,800	600,541	767,341
Reclassification of long-term equity investment	- (	36,935) (	36,935)
Capital reduction	- (	10,226) (	10,226)
Recognised in income(loss)	38,851	-	38,851
Recognised in other comprehensive income(loss)	- (	406,594) (	406,594)
At December 31	<u>\$ 205,651</u>	<u>\$ 665,490</u>	<u>\$ 871,141</u>

Note 1: The Group has transferred the fair value from Level 3 into Level 1 as ACpay Co., Ltd. registered in Emerging Stocks Board in 2023.

Note 2: The Group has transferred the fair value from Level 3 into Level 2 as the valuation of Microprogram Information Co., Ltd. is based on adjusted observable quoted price at December 31, 2023.

G. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement:

<u>December 31, 2023</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Relationship of inputs to fair value</u>
Unlisted stocks	\$ 336,512	Market comparable companies	Price-to-book ratio	0.46~8.07	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	1.2~5.52	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	14.21~33.19	The higher the Price-to-book ratio, the higher the fair value
			Discount for lack of marketability	22.5%~25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	102,944	Discounted cash flow	Weighted average cost of capital	4%~13.16%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	40%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks and beneficiary certificates	464,628	Net asset value	Not Applicable	-	Not Applicable
	<u>\$ 904,084</u>				

<u>December 31, 2022</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Relationship of inputs to fair value</u>
Unlisted stocks	\$ 485,949	Market comparable companies	Price-to-book ratio	0.42~9.32	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	0.78~3.63	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	7.04~25.17	The higher the Price-to-book ratio, the higher the fair value
			Discount for lack of marketability	22.5%~25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks	267,104	Discounted cash flow	Weighted average cost of capital	11.87%~12.97%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	20.6%~40%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks and beneficiary certificates	118,088	Net asset value	Not Applicable	-	Not Applicable
	<u>\$ 871,141</u>				

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. For the years ended December 31, 2023 and 2022, there will be no significant effect on other comprehensive income from financial assets and liabilities categorized within Level 3 if the value of net assets increased and decreased by 1%.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

(3) Others

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

No shareholders holding more than 5% of the Company.

14. SEGMENT INFORMATION

(1) General information

Management has identified the operating segments based on the reports that are used to make strategic decisions. The reportable operating segments of the Group are distinguished by the products. The electronics segment is engaged in manufacture and sales of memory product, the sales of electric tricycle, cultural creative goods and catering, the lease of electric tricycle and activity venue, agricultural cultivation, and portal website operation; the biomedicine segment is engaged in the sales of biotechnological products.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the operating income (loss). This measurement basis includes operating revenue completion percentage, gross profit completion percentage, operating income completion percentage, etc.. The Chief Operating Decision-Maker reviews the conditions of overspending or underspending monthly, so as to assess the rationality of resource usage.

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

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Electronics Segment	Biotech Segment	Total
<u>Year ended December 31, 2023</u>			
Revenue from external customer	\$ 33,650,683	\$ 34,099	\$ 33,684,782
Reportable segments income/(loss)	\$ 1,793,669	(\$ 18,712)	\$ 1,774,957
	Electronics Segment	Biotech Segment	Total
<u>Year ended December 31, 2022</u>			
Revenue from external customer	\$ 34,893,058	\$ 33,883	\$ 34,926,941
Reportable segments income/(loss)	\$ 729,201	(\$ 21,979)	\$ 707,222

(4) Reconciliation for segment asset/liability/profit (loss)

The revenue and expense from external parties reported to the Chief Operating Decision-Maker are measured in a manner consistent with that in the statement of comprehensive income. The Group did not report the total assets and total liabilities to the Chief Operating Decision-Maker for operating decision-making, and adopted a consistent measurement method with the assets and liabilities in the Group's financial statements. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

	Years ended December 31,	
	2023	2022
Reportable segment income	\$ 1,774,957	\$ 707,222
Interest revenue	142,071	47,138
Other income	225,397	398,038
Other gains and (losses)	(94,067)	(315,711)
Finance costs	(647,336)	(336,716)
Share of income of associates and joint ventures accounted for using the equity method	574,663	584,998
Income before tax from continuing operations	\$ 1,975,685	\$ 1,084,969

(5) Information on products and services

The external customer revenue is mainly from manufacturing and selling of memory product, biotechnology product, electric tricycle, cultural creative goods and catering. Breakdown of revenue from all sources is as follows:

	Years ended December 31,	
	2023	2022
Sales revenue	\$ 33,676,200	\$ 34,834,297
Service revenue	8,582	92,644
	\$ 33,684,782	\$ 34,926,941

(6) Geographical information

Geographical information is as follows:

	Years ended December 31,			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
T Country	\$ 4,500,212	\$ 9,303,780	\$ 6,659,481	\$ 9,068,884
C Country	11,810,540	1,504,760	11,039,328	1,791,270
A Country	13,055,629	1,248,524	12,402,625	848,267
J Country	1,259,201	3,394	1,217,267	7,744
Others	3,059,200	290,953	3,608,240	19,357
	<u>\$ 33,684,782</u>	<u>\$ 12,351,411</u>	<u>\$ 34,926,941</u>	<u>\$ 11,735,522</u>

Note: Non-current assets exclude financial assets, deferred tax assets, pension plan assets, and rights under insurance contracts.

(7) Major customer information

The Group has no customers whose sales revenue from a single customer accounts for more than 10% of the consolidated total net operating revenue.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the		Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote	
					December 31, 2023	year ended December 31, 2023								Item	Value				
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	\$	307,050	\$	-	4.5%	Short-term financing	\$	Operations	-	-	None	\$	1,454,597	\$ 4,363,792	Notes 1 and 2
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y		76,094	76,094	-	12.3375%	Short-term financing	-	Operations	-	-	None	-	303,944	911,832	Notes 1 and 2

Note 1: In accordance with Article 4 of the Operational Procedures for Loans to Others:

- (1) The Company's total lending amount must not exceed 40% of the net assets disclosed in the Company's latest financial statements, and not exceed 30% for short-term financing purpose.
- (2) The loans to each company entity whom the Company has transactions with, the lending amount must not exceed the higher of the Company's purchases from or sales to the counterparty.
- (3) The loans to each entity for short-term financing purpose must not exceed 10% of the net assets disclosed in the Company's latest financial statements.
- (4) Limit on the loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company or limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is not applicable for the limit of 40% of the creditor's net assets. However, limit on the total loans to others and the individual loan must not exceed 40% of the Company's net assets disclosed in the Company's latest financial statements. Loans shall be expended based on the actual situation under the approval from the Board of Directors. The abovementioned limit on the total loans to others and individual loans do not apply to items (2) and (3).

Note 2: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2023	Outstanding endorsement/guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL S/A	Note 2	\$ 1,454,597	\$ 307,050	-	-	\$ -	-	\$ 7,272,987	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Note 2	1,454,597	614,100	-	-	-	-	7,272,987	Y	N	N	Note 3
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A	Note 2	303,944	28,535	-	-	-	-	1,519,719	N	N	N	Note 3
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Note 2	303,944	41,218	-	-	-	-	1,519,719	N	N	N	Note 3

Note 1: The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with Operational Procedures for Provision of Endorsements and Guarantees to Others, the ceiling on total amount of endorsements/guarantees provided is:

(1) Less than 50% of the Company's net assets for total endorsements/guarantees provided for others.

(2) Less than 10% of the Company's net assets for endorsements/guarantees provided for each entity the ceiling does not apply in each subsidiary to which the Company directly and indirectly has 100% voting rights but must not exceed 20% of the Company's net assets.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 4: According to the Article 4 of Company's procedures for endorsement, the limits for endorsement amount are as follows:

(1) The total amount of external endorsement may not exceed the Company's paid-in capital.

(2) The total amount of endorsement to one company may not exceed 50% of the Company's paid-in capital, and the total amount of endorsement to the parent company or a subsidiary holding 100% of direct or indirect voting rights may not exceed the Company's paid-in capital.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 5: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

Table 3
Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023			
				Number of shares	Book value	Ownership (%) (note)	Fair value (note) Footnote
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -PGIM Global New Supply Chain Fund-NA (USD)	Not applicable	Financial assets at fair value through profit or loss-current	20,000	\$ 5,036	-	\$ 5,036 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Yunta Japan Leaders Equity Fund -TWD(A)	Not applicable	Financial assets at fair value through profit or loss-current	1,000,000	10,000	-	10,000 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Jih Sun Vietnam Opportunity Fund-N (USD)	Not applicable	Financial assets at fair value through profit or loss-current	20,000	4,526	-	4,526 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - SinoPac ESG Global Digital Infrastructure Fund	Not applicable	Financial assets at fair value through profit or loss-current	37,000	10,168	-	10,168 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Mega Global Bond ETF Strategic Income Fund of Funds- Acc.(USD)	Not applicable	Financial assets at fair value through profit or loss-current	46,000	14,614	-	14,614 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - FSTTC Global Sustainable Impact Investment Multi-Asset Fund-TWD(A)	Not applicable	Financial assets at fair value through profit or loss-current	10,000	3,185	-	3,185 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - UPAMC Taiwan High Dividend and Growth Fund - Acc.	Not applicable	Financial assets at fair value through profit or loss-current	1,000,000	10,980	-	10,980 -
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Taishin Flexible Income Fund A-USD	Not applicable	Financial assets at fair value through profit or loss-current	20,000	6,257	-	6,257 -
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - ARBOR TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	690,599	32,942	0.72	32,942 -
Total				<u>\$ 97,708</u>	<u>\$ 97,708</u>		<u>\$ 97,708</u>
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - 1686 Partners Fund SCSp	None	Financial assets at fair value through profit or loss-non-current	25,000,000	\$ 225,672	-	\$ 225,672 -
ADATA TECHNOLOGY CO., LTD.	Other domestic agreements - Movie Investment	None	Financial assets at fair value through profit or loss-non-current	-	23,850	-	23,850 -
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed preferred stock - Kneron (Taiwan) Co., Ltd.	None	Financial assets at fair value through profit or loss-non-current	899,888	189,325	1.31	189,325 -
Total				<u>\$ 438,847</u>	<u>\$ 438,847</u>		<u>\$ 438,847</u>
ADATA TECHNOLOGY CO., LTD.	Domestic emerging common stock - NANOPUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,257,232	\$ 14,144	0.73	\$ 14,144 -
ADATA TECHNOLOGY CO., LTD.	Domestic emerging common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,349,207	153,810	1.72	153,810 -
ADATA TECHNOLOGY CO., LTD.	Foreign listed stock - Digital Domain Holdings Limited	None	Financial assets at fair value through other comprehensive profit or loss-non-current	146,250,000	172,575	1.98	172,575 -
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Media Development Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	-	15.87	- -
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Abico Asia Capital Corp.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	7,780	1.30	7,780 -
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	The Company serves as a legal entity director of the company	Financial assets at fair value through other comprehensive profit or loss-non-current	32,975	-	1.32	- -

As of December 31, 2023

As of December 31, 2023								
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - ACpay Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	578,517	\$ 17,471	4.41	\$ 17,471	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - H2U Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	546,000	24,182	2.16	24,182	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Microprogram Information Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,475,000	56,021	3.27	56,021	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Da Shiang Technology Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	750,000	6,358	15.00	6,358	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Carbon Credit Innovation Company Limited	None	Financial assets at fair value through other comprehensive profit or loss-non-current	300,000	3,000	10.00	3,000	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Light Matrix Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	60,000	2,178	1.18	2,178	-
Total								
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	1,700,000	\$ 457,519 \$ 87,210	0.05	\$ 457,519 \$ 87,210	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION	None	Financial assets at fair value through profit or loss-current	700,000	100,450	0.03	100,450	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - AES Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	1,000	753	0.00	753	-
Total								
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - DANEN TECHNOLOGY CORPORATION	None	Financial assets at fair value through other comprehensive profit or loss-non-current	5,391,080	\$ 188,413 \$ 73,049	7.05	\$ 188,413 \$ 73,049	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Ideahouse Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	327,683	-	5.38	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Abomem Technology Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - Whistle holdco, LLC	None	Financial assets at fair value through other comprehensive profit or loss-non-current	654,000	-	0.73	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock - JANUS TECHNOLOGY GROUP, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	500,000	19,455	1.92	19,455	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ACLOUD INTELLIGENCE SERVICES CORP. LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	9,280	16.67	9,280	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,668,300	5,689	2.36	5,689	-

Securities held by	Relationship with the securities issuer	Marketable securities	As of December 31, 2023				Footnote
			Number of shares	Book value	Ownership (%) (note)	Fair value (note)	
ZHAO-XING INVESTMENT CO., LTD.	None	Foreign non-listed common stock - Joy capital Ltd.	800,000	\$ 2,702	11.76	\$ 2,702	-
ZHAO-XING INVESTMENT CO., LTD.	None	Domestic non-listed common stock - TransWorld Production Co.	120,000	498	1.25	498	-
ZHAO-XING INVESTMENT CO., LTD.	None	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	1,000,000	-	9.35	-	-
ZHAO-XING INVESTMENT CO., LTD.	None	Domestic non-listed common stock - Mucho International Co., Ltd.	2,000,000	-	17.08	-	-
ZHAO-XING INVESTMENT CO., LTD.	None	Foreign non-listed common stock - Dragon Yi Investment Ltd.	400,000	12,162	12.90	12,162	-
Total							
ADATA INVESTMENT COMPANY LIMITED	None	Foreign non-listed company common stock - Golden Crown Green Energy Ltd.	3,522,440	\$ 122,835	0.67	\$ 122,835	-
ADATA INVESTMENT COMPANY LIMITED	None	Foreign non-listed company common stock - Vantage Metro Limited	166,670	-	2.25	-	-
Total							
ADATA CAPITAL CO., LTD.	None	Domestic non-listed common stock - Asutor Inc.	1,982,628	\$ 76,529	13.22	\$ 76,529	-
Total							
ADATA TECHNOLOGY(INDIA) PRIVATE LTD.	None	Foreign non-listed company common stock - Leaf Technologies Ltd.	250	\$ 76,529	1.60	\$ 76,529	-
Total							
ADATA TECHNOLOGY (HK) CO., LTD.	None	Foreign non-listed company common stock - LANGOGO GLOBAL LIMITED	10,257,355	\$ -	11.44	\$ -	-
ADATA TECHNOLOGY (HK) CO., LTD.	None	Foreign non-listed company common stock - JOINT MOUNTAIN TECHNOLOGY CO., LTD.	7,407,400	66,734	7.41	66,734	-
ADATA TECHNOLOGY (HK) CO., LTD.	None	Foreign non-listed company common stock - NOTTA INC.	10,257,355	103,934	7.27	103,934	-
Total							
				\$ 170,668		\$ 170,668	

Securities held by	Relationship with the securities issuer	Marketable securities	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Beijing Function Capital Management Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	\$ 4,327	10.00	\$ 4,327	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Shanghai Shangguang Enterprise Management Consulting Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	323,778	83,147	1.44	83,147	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Qingdao Nuotai Biotechnology Co., LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	2,307,692	36,210	18.75	36,210	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Jiangxi Fire Eye Intelligence Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,800,000	1,072	18.00	1,072	-
Total								
LIWANLI Innovation Co., Ltd.	None	Domestic emerging common stock - LIN BIOSCIENCE, INC.	Financial assets at fair value through profit or loss-current	208,000	\$ 124,756 \$ 23,712	0.26	\$ 124,756 \$ 23,712	-
Total								
LIWANLI Innovation Co., Ltd.	None	Domestic non-listed common stock - DISK KING TECHNOLOGY CO., LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	125,600	\$ 23,712 -	10.23	\$ 23,712 -	-
LIWANLI Innovation Co., Ltd.	None	Domestic non-listed common stock - ACpay Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	320,995	9,694	2.44	9,694	-
Total								
Zhen Lian Investment Co., Ltd.	None	Domestic emerging common stock - LIN BIOSCIENCE, INC.	Financial assets at fair value through profit or loss-current	50,000	\$ 9,694 \$ 5,700	0.06	\$ 9,694 \$ 5,700	-
Total								
					\$ 5,700		\$ 5,700	

Note: The percentage of ownership is calculated based on the total number of issued shares of the investee company; The fair value of listed stocks, OTC stocks, emerging stocks, and closed-end mutual funds are based on latest quoted fair prices of accounting period.

Open-end and balanced mutual funds are based on the net assets value at the balance sheet date. Unlisted stocks are measured at fair value based on the Company's evaluation.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023			Addition		Disposal			Balance as at December 31, 2023	
					Number of shares (Units)	Amount	Number of shares (Units)	Number of shares (Units)	Amount	Selling price	Book value	Gain (loss) on disposal	Number of shares (Units)	Amount
ADATA TECHNOLOGY CO., LTD.	Stock	Investments accounted for under equity method	ADATA SEMICONDUCTOR PVT. LTD.	The Company's Subsidiary	-	\$ -	-	107,600,000	\$ 412,184	\$ -	-	\$ -	107,600,000	\$ 412,184

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Transaction					Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Percentage of total purchases		Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount						
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 4,571,432) (	17) Collection terms are 90 days (End of month)	None	None	\$ 767,281	17	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(931,150) (	3) Collection terms are 90 days (End of month)	None	None	231,449	5	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(6,055,212) (	22) Collection terms are 90 days (End of month)	None	None	1,327,407	30	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD	ADATA TECHNOLOGY CO., LTD	The Company	Processing income	(2,989,701) (	84) Collection terms are 60 days (End of month)	None	None	5,854,930	98	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(2,266,727) (	100) Collection terms are 90 days (End of month)	None	None	1,469,450	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	4,571,432	93 Collection terms are 90 days (End of month)	None	None	(767,281) (	100)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	931,150	91 Collection terms are 90 days (End of month)	None	None	(231,449) (	88)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	6,055,212	99 Collection terms are 90 days (End of month)	None	None	(1,327,407) (	100)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	2,266,727	47 Collection terms are 90 days (End of month)	None	None	(1,469,450) (	89)	-
ADATA TECHNOLOGY CO., LTD	ADATA TECHNOLOGY (SUZHOU) CO., LTD	The Company's Subsidiary	Processing fees	2,989,701	6 Collection terms are 60 days (End of month)	None	None	(5,854,930) (	65)	-

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Creditor	Counterparty	Relationship with the counterparty	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Balance as at December 31, 2023	Turnover rate	Amount		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 767,281	5.27	\$ -	\$ 558,458	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	231,449	4.85	-	160,397	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,327,407	5.90	-	943,492	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	5,854,930	3.88	-	561,560	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	1,469,450	1.77	-	261,690	-

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

		Transaction					Percentage of consolidated total operating revenues or total assets (Note 2)
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Sales	\$ 6,055,212	Note 3	18
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,327,407	Note 4	3
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	4,571,432	Note 3	14
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	767,281	Note 4	2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	931,150	Note 3	3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	231,449	Note 4	1
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	2,989,701	Note 5	9
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	5,854,930	Note 5	13
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	2,266,727	Note 3	7
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	1,469,450	Note 4	3
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Parent company to Subsidiary company	Accounts receivable	51,252	Note 4	0

Note 1: The parent company is numbered “0”. The subsidiaries are numbered in order starting from ‘1’.

Note 2: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts and based on accumulated amount in the interim to consolidated total operating revenues for income statement accounts.

Note 3: The sale prices were similar to those given to third parties.

Note 4: The credit terms made to the third party were shipped after pre-payment to 150 days after monthly billings. The credit terms made to the related party were shipped after pre-payment to 90 days after monthly billings.

Note 5: Processing price and payment terms to the related party are available to the third party.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

The related information on investees are as follows (not including investees in Mainland China)

Year ended December 31, 2023

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023				Expressed in thousands of NTD (Except as otherwise indicated)	
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 760,000	\$ 760,000	76,000,000	100.00	\$ 671,183	\$ 42,942	\$ 42,942	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	1,295,001	1,295,001	130,000,000	100.00	834,768	45,386	45,386	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	183,000	181,000	18,300,000	100.00	169,432	(10,415)	(10,415)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	776,000	776,000	77,600,000	100.00	680,138	(53,742)	(53,742)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,544,347	2,541,114	79,937,598	100.00	6,624,714	605,491	605,491	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	U.S.A.	Trading of electronic material and components	66,637	66,637	200,000	100.00	757,043	111,701	111,701	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Netherlands	Trading of electronic material and components	16,570	16,570	300,020	100.00	10,223	919	919	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,597,378	1,597,378	205,983,626	100.00	2,975,935	503,281	503,281	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology (Japan) Co., Ltd.	Japan	Trading of electronic material and components	7,977	7,977	600	100.00	14,992	1,141	1,141	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology Mexico SDRL DE CV.	Mexico	Trading of electronic material and components	6,872	6,872	6,649,647	100.00	15,909	4,150	4,150	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA SEMICONDUCTOR PVT. LTD.	India	Trading of electronic components and computer peripherals	412,184	-	107,600,000	99.63	378,685	(20,159)	(19,839)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	180,192	(183,982)	(183,982)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,991	5	5	Note 1(1)

Initial investment amount				Shares held as at December 31, 2023				Investment income			
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	(loss) recognised by the Company for the year ended December 31, 2023	Footnote
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	\$ 30,150	\$ 30,150	1,000,000	74.63	\$ 8,529	\$ 12,298	\$ 9,178	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	34,100	3,410,000	56.83	25,233 (	3,247) (	1,845)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,050,320	1,050,320	43,852,925	54.37	799,751	5,103 (	35,331)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	WE LEAD BIOTECH CO., LTD.	Republic of China	Portal website operation	24,000	24,000	800,000	39.41	1,176 (	1,202) (	474)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	FULLSUNGLOBAL DEVELOPMENT Company Limited	Republic of China	Venue leasing, culture and education, cultural and creative and art and catering	352,000	282,000	33,000,000	82.50	241,994 (	63,800) (	51,266)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components, sales of biotechnology and system development	561,657	561,657	6,748,970	26.20	372,187 (	18,331) (	4,804)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Master Acoustics International Corp. Limited	Hong Kong	The sales of sound optimised resonator, sound optimised coating and bioacoustics	-	6,037	-	-	-	5	2	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	55,000	55,000	5,500,000	23.50	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Sports Lottery Co., Ltd.	Republic of China	Issuing or selling of Sports Lottery	383,200	383,200	28,700,000	51.07	1,715,794	1,106,699	565,174	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	390,374	390,374	8,337,316	26.14	313,795 (	52,889) (	13,822)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	13,000	13,000	1,300,000	13.00	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	All In Digital Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,800	1,800	180,000	18.00	(3,311) (	70) (	12)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	30,000	30,000	3,000,000	24.06	25,923 (	579) (	139)	Note 1(1)

Initial investment amount				Shares held as at December 31, 2023			Investment income			
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	(loss) recognised by the Company for the year ended December 31, 2023	Footnote
ADATA TECHNOLOGY CO., LTD.	XRIDER INDUSTRIAL CO., LTD.	Republic of China	Bicycle and Bike Parts manufacturing	\$ 47,228	\$ 47,228	22.05	\$ -	\$ 63,833	\$ 14,106	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Shining Star Entertainment CO., LTD.	Republic of China	Artwork consulting and art service	13,500	-	45.00	11,195	(5,762)	(2,305)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Baasid International lab CO., LTD.	Republic of China	Information system development	75,225	-	39.92	87,894	(10,462)	(126)	Note 1(2)
ZHAO-XING INVESTMENT CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	15,000	15,000	6.41	-	-	-	Notes 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,974	8,974	2.12	39,612	(52,889)	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	British Cayman Islands	General Investment	1,847,058	1,847,058	100.00	6,642,008	601,676	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	India	Trading of electronic components and computer peripherals	65,424	65,424	100.00	38,251	5,501	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	141,964	138,731	100.00	11,153	478	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	102,058	102,058	100.00	83,598	(1,709)	-	Notes 1(1) and 2
ADATA INVESTMENT COMPANY LIMITED	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	10,251	10,251	25.37	8,349	12,298	-	Notes 1(1) and 2
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Hong Kong	Trading of electronic material and components	1,846,495	1,846,495	100.00	6,645,066	601,681	-	Notes 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Brazil	Design, manufacture and trading of semiconductor components	1,137,034	1,137,034	84.30	1,731,978	505,007	-	Notes 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	289,599	289,599	84.30	1,005,033	104,045	-	Notes 1(2) and 2
ALLIED TREASURE INC. LIMITED	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	130,520	130,520	40.00	39,233	3,201	-	Notes 1(1) and 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	Hong Kong	General Investment	-	29,618	-	-	52	-	Notes 1(1) and 2

Initial investment amount				Shares held as at December 31, 2023							
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	Republic of China	General Investment	\$ 67,000	\$ 67,000	-	100.00	\$ 66,217	\$ 11,290	\$ -	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	Republic of China	General Investment	70,000	70,000	-	100.00	47,785	2,823	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	90,722	90,722	23,596,000	100.00	(19,397)	(3,724)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components, sales of biotechnology and system development	45,000	45,000	1,836,006	7.13	125,361	(18,331)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	12,000	12,000	1,200,000	12.00	-	-	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	6,000	6,000	600,000	10.00	6,000	(3,247)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	30,000	30,000	3,000,000	12.82	-	-	-	Notes 1(1) and 2
Longevity Wealth Limited	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	30,420	30,420	1,000,000	10.00	18,142	3,201	-	Notes 1(1) and 2

Note 1: Indicate the basis for investment income (loss) recognition in the number of one of the following two categories:

- (1) Financial statements audited by the independent auditors appointed by the Company.
- (2) Financial statements audited by other independent auditors.

Note 2: The investment income which was not disclosed was recognised by a subsidiary company.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 9

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023				Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023 (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
				Remitted to Mainland China		Remitted back to Taiwan							
				January 1, 2023	December 31, 2023	January 1, 2023	December 31, 2023						
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	\$ 1,299,223	2	\$ -	\$ -	\$ 1,299,223	\$ 345,371	100.00	\$ 345,371	\$ 5,483,882	\$ -	-	Notes 2(1) and 3
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	592,704	2	-	-	592,704	60,997	100.00	60,997	858,275	-	-	Notes 2(1) and 4
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	-	-	131,134	8,563	100.00	8,563	72,693	-	-	Notes 2(1) and 5
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	-	-	3,019	-	100.00	-	-	-	-	Notes 2(1) and 6
Suzhou Hejun New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery charger, computer peripherals products, circuit boards and plug-ins.	963,516	2	-	-	7,547	-	0.67	-	-	-	-	Note 8
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	10.00	-	4,327	-	-	Note 9
Shandong Weigang Fengshi Technology Development Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	(3,209)	36.64	(1,376)	857,968	-	-	Notes 2(1) and 10
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	247,615	25.00	60,824	115,889	-	-	Notes 2(1) and 11
Shanghai Shangguang Enterprise Management Consulting Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	1.44	-	83,147	-	-	Note 12

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023		Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023		Net income of investee as of December 31, 2023 (direct or indirect)	Ownership held by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
SuZhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	\$ 6,169	3	-	-	-	-	-	-	-	-	-	-	-	-	-	Note 13
Shenzhen Fire Eye Intelligence Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	-	-	-	-	-	2,448	30.00	735	70,420	-	Notes 2(1) and 14
Ningbo Xinrou Biotechnology Co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	-	-	-	-	-	(6,922)	30.00	(2,076)	43,612	-	Notes 2(1) and 15
Qingdao Nuotai Biotechnology Co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	-	-	-	-	-	18.75	-	36,210	-	Note 16
ADATA TECHNOLOGY (Qingdao) Co., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3	-	-	-	-	-	-	-	-	(1)	100.00	(1)	415	-	Notes 2(2) and 17
Skywin Technology (Qingdao) Co., Ltd.	Engineering technology research, test development, information consulting services and electronics wholesale of spare parts	856,050	3	-	-	-	-	-	-	-	-	3,088	33.33	1,136	305,816	-	Notes 2(2) and 18
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	57,992	2	57,992	-	-	-	-	-	57,992	(3,708)	100.00	(100.00	(3,708)	29,885)	-	Notes 2(1) and 19
Qingdao Fengshi Chongke Biotechnology Co., Ltd.	Pet services and sales of pet food and supplies	180,239	3	-	-	-	-	-	-	-	(51,780)	25.00	(25.00	(13,013)	28,641	-	Notes 2(2) and 20
Jiangxi Fire Eye Intelligence Co., Ltd.	Sales of information security devices and providing network technology service and development	7,990	3	-	-	-	-	-	-	-	-	18.00	-	-	1,072	-	Note 21

Note 1: Investment methods are classified into the following three categories:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2: The investment gain and loss on investees were recognized based on the follows:

- (1) Financial statements audited by the independent auditors appointed by the Company.
- (2) Financial statements that were audited by other independent auditors.

Note 3: ADATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD.. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 40,000 thousand. The case was approved by investment commission of MOEA.

Note 4: ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 26,500 thousand. The case was approved by investment commission of MOEA.

Note 5: ADATA ELECTRONICS (SHANGHAI) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 4,000 thousand. The case was approved by investment commission of MOEA.

Note 6: ERATO (SZ) CORPORATION LTD. is a 100% owned subsidiary of ERATO (HK) CORPORATION LIMITED. ERATO (HK) CORPORATION LIMITED is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 100 thousand. The case was approved by investment commission. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park’s supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 7: Through the Company’s indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 3.57% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory. Total owner contribution was USD1,031 thousand. The case was approved by the Investment Commission. Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory filed cancellation registration to PRC on July 9, and March 2, 2012, respectively, the cancellation of investment was approved by investment commission of MOEA on November 21, 2012. However, the facility of investment in Mainland China has not been released.

Note 8: Through the Company’s indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 0.67% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Suzhou Golden Crown New Energy Co., Ltd.. Total owner contribution was USD 248 thousand. The case was approved by the Investment Commission of MOEA.

Note 9: The Company acquired a 10% equity interest in Beijing Function Capital Management Co.,Ltd. in the amount of RMB 1,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 10: The Company acquired a 5.82% equity interest in Shandong Weigang Fengshi Technology Development Co., Ltd. in the amount of RMB 29,531 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

The Company acquired a 30.82% equity interest in Shandong Weigang Fengshi Technology Development Co., Ltd. in the amount of RMB 175,000 thousand through the Company’s indirectly wholly-owned investee, ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD..

Note 11: The Company acquired a 25% equity interest in Fengshi (Qingdao) Marine Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 12: The Company acquired a 1.44% equity interest in Shanghai Shangguang Enterprise Management Consulting Co., Ltd. in the amount of RMB 12,999 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 13: The Company acquired a 3.76% equity interest in Suzhou Qdreamer Technology Co.,Ltd in the amount of RMB 5,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

The Company disposed of 3.76% equity interest in Suzhou Qdreamer Technology Co.,Ltd during the third quarter of 2023

Note 14: The Company acquired a 30% equity interest in Shenzhen Fire Eye Intelligence Co. ,Ltd. in the amount of RMB 14,385 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 15: The Company acquired a 30% equity interest in Ningbo Xinrou Biotechnology co. LTD in the amount of RMB 13,573 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 16: The Company acquired a 18.75% equity interest in Qingdao Nuotai Biotechnology co. LTD in the amount of RMB 30,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 17: The Company acquired a 100% equity interest in ADATA TECHNOLOGY (Qingdao) CO., LTD. in the amount of RMB 100 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 18: The Company acquired a 33% equity interest in Skywin Technology (Qingdao) Co., Ltd. in the amount of USD 10,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (HK) CO., LTD.

Note 19: The Company established and acquired a 100% equity interest in LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD. through the Company’s indirectly wholly-owned investee, Longevity Wealth Limited. The actual investment was USD 2,000 thousand.

Note 20: The Company acquired a 25% equity interest in Qingdao Fengshi Chongke Biotechnology Co., Ltd. in the amount of RMB 10,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 21: The Company acquired a 18% equity interest in Jiangxi Fire Eye Intelligence Co., Ltd. through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 1)	
		December 31, 2023		Commission of MOEA(Note 1)	
ADATA TECHNOLOGY CO.,LTD.(Note 2)	\$ 2,066,820	\$ 2,354,741	\$ 8,727,584		
LIWANLI Innovation Co., Ltd. (Note 3)	57,992	86,532	470,108		

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2023, investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$ 73,379 thousand.

Note 3: As of December 31, 2023, LIWANLI Innovation Co., Ltd.’s investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$ 3,000 thousand.

ADATA TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2023

Table 10
Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Interest during the year ended December 31, 2023	Others
	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Balance at December 31, 2023	Interest rate		
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	Note
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	-	-	-	-	51,252	81	-	-	-	-	-	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	(931,150)	(91)	-	-	(231,449)	(88)	-	-	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2023 amounted to \$2,989,701. Accounts payable of \$5,854,930 was recognised as of December 31, 2023.

Appendix 2

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

(2024) PWCR 23004535

To the Board of Directors and Shareholders of Adata Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Adata Technology Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits of the parent company only financial statements in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(32) for accounting policies on recognition of revenue, Note 6(24) for details of operating revenue.

Fluctuation of significant customers is due to business development. Any significant customer might have a material impact to the Company. Therefore, we consider the existence of sales revenue from significant customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the internal controls over sales revenue and included sales transactions from significant customers in samples for test of controls.
2. We obtained management's evaluation of significant customers and agreed to significant related information.
3. Tested that the credit terms of significant customers have been approved appropriately.
4. Obtained and verified the sales details and relevant evidence of significant customers.
5. Sample selected accounts receivable of significant customers to obtain the confirmation letter.

Valuation of inventory

Description

Please refer to Note 4(13) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for details of inventory.

The Company is primarily manufacturing and selling DRAM and NAND Flash products. Due to the highly competitive nature of the consumer electronics market, the Company's products have short life cycles and frequent fluctuation of price, causing higher risk of inventory market value decline. The Company estimates the net realisable value of inventory on the balance sheet date, and individually identifies each inventory at the lower of net realisable values and cost, also evaluates inventory aging and its value in order to provide valuation loss.

As the amount of inventory is significant and the evaluation of inventory requires management's critical judgement, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging reports of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified to changes record, checked the accuracy of classification range of inventory ages and the effect to inventory value.
4. Obtained net realisable value reports of each kind of inventory and checked the logic of calculation formulas. Tested relevant parameters to supporting documents and recalculated the allowance for valuation losses item by item.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$2,810,811 thousand and NT\$2,191,035 thousand, constituting 6.1% and 6.1% of the total assets as at December 31, 2023 and 2022, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$521,018 thousand and NT\$704,488 thousand, constituting 37.1% and 69.4% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Huang, Shih-Chun

Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,091,764	2	\$ 2,846,110	8
1110	Financial assets at fair value through profit or loss - current	6(2)	97,708	-	55,554	-
1136	Current financial assets at amortised cost	6(1) and 8	1,000,000	2	1,126,775	3
1150	Notes receivable, net	6(4)	383	-	829	-
1170	Accounts receivable, net	6(4)(5)	2,083,519	5	2,134,184	6
1180	Accounts receivable - related parties	6(4) and 7(2)	2,340,845	5	1,849,495	5
1200	Other receivables	6(5)	304,187	1	230,543	1
1210	Other receivables - related parties	7(2)	77,949	-	57,045	-
1220	Current income tax assets	6(30)	78,176	-	72,536	-
130X	Inventories	6(6)	14,027,375	30	4,916,996	14
1410	Prepayments		241,428	1	141,294	-
1470	Other current assets		3,843	-	25,245	-
11XX	Current assets		21,347,177	46	13,456,606	37
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	438,847	1	205,651	1
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	457,519	1	378,199	1
1550	Investments accounted for under equity method	6(7)(13) and 7(2)	16,919,676	37	15,339,523	43
1600	Property, plant and equipment	6(8) and 8	6,156,146	13	5,847,026	16
1755	Right-of-use assets	6(9)	38,930	-	37,121	-
1760	Investment property - net	6(11) and 8	254,974	1	256,613	1
1780	Intangible assets		20,707	-	27,659	-
1840	Deferred income tax assets	6(30)	325,064	1	386,488	1
1920	Guarantee deposits paid		67,518	-	60,671	-
1990	Other non-current assets, others	6(4)(12)(18)	135,180	-	144,200	-
15XX	Non-current assets		24,814,561	54	22,683,151	63
1XXX	Total assets		\$ 46,161,738	100	\$ 36,139,757	100

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 9,077,085	20	\$ 4,725,453	13
2110	Short-term notes and bills payable		1,100,000	2	200,000	1
2130	Current contract liabilities	6(24)	104,932	-	79,053	-
2150	Notes payable		2,027	-	2,191	-
2170	Accounts payable		3,354,171	7	2,248,475	6
2180	Accounts payable - related parties	7(2)	5,854,930	13	3,584,763	10
2200	Other payables	6(15)	666,314	2	517,731	1
2220	Other payables - related parties	7(2)	25,683	-	19,150	-
2230	Current income tax liabilities	6(30)	47,271	-	-	-
2250	Provisions for liabilities - current		36,524	-	21,468	-
2280	Current lease liabilities		10,698	-	6,087	-
2320	Long-term liabilities, current portion	6(17)	613,373	1	564,481	2
2399	Other current liabilities, others	7(2)	20,207	-	48,804	-
21XX	Current liabilities		<u>20,913,215</u>	<u>45</u>	<u>12,017,656</u>	<u>33</u>
Non-current liabilities		6(16)				
2540	Long-term borrowings	6(17)	9,450,633	20	11,312,767	32
2570	Deferred income tax liabilities	6(30)	1,213,256	3	1,029,413	3
2580	Non-current lease liabilities		33,919	-	34,001	-
2645	Guarantee deposits received	7(2)	1,431	-	1,431	-
2670	Other non-current liabilities, others	6(7)	3,311	-	3,299	-
25XX	Non-current liabilities		<u>10,702,550</u>	<u>23</u>	<u>12,380,911</u>	<u>35</u>
2XXX	Total liabilities		<u>31,615,765</u>	<u>68</u>	<u>24,398,567</u>	<u>68</u>
Share capital		6(20)				
3110	Share capital - common stock		2,959,654	6	2,674,264	7
Capital surplus		6(21)				
3200	Capital surplus		7,364,360	16	5,788,831	16
Retained earnings		6(22)				
3310	Legal reserve		1,339,253	3	1,260,835	4
3320	Special reserve		1,065,058	2	1,249,933	3
3350	Unappropriated retained earnings		3,085,421	7	2,077,804	6
Other equity interest		6(23)				
3400	Other equity interest		(1,227,224)	(2)	(1,065,058)	(3)
3500	Treasury stocks	6(20)	(40,549)	-	(245,419)	(1)
3XXX	Total equity		<u>14,545,973</u>	<u>32</u>	<u>11,741,190</u>	<u>32</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 46,161,738</u>	<u>100</u>	<u>\$ 36,139,757</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Year ended December 31					
Items		Notes	2023		2022		
			AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(24) and 7(2)	\$ 28,945,011	100	\$ 28,644,980	100	
5000	Operating costs	6(6)(28) and 7(2)	(25,970,951)	(90)	(26,991,010)	(94)	
5900	Net operating margin		2,974,060	10	1,653,970	6	
5910	Unrealized profit from sales		(272,736)	(1)	(311,229)	(1)	
5920	Realized profit on from sales		311,229	1	9,565	-	
5950	Net operating margin		3,012,553	10	1,352,306	5	
	Operating expenses	6(28) and 7(2)					
6100	Selling expenses		(1,101,898)	(4)	(986,730)	(3)	
6200	General and administrative expenses		(913,372)	(3)	(787,934)	(3)	
6300	Research and development expenses		(353,773)	(1)	(309,147)	(1)	
6450	Reversal of expected credit losses (Expected credit losses)	12(2)	(1,477)	-	414	-	
6000	Total operating expenses		(2,370,520)	(8)	(2,083,397)	(7)	
6900	Operating profit (loss)		642,033	2	(731,091)	(2)	
	Non-operating income and expenses						
7100	Interest income		34,210	-	28,204	-	
7010	Other income	6(25) and 7(2)	75,335	-	77,322	-	
7020	Other gains and losses	6(26)	109,706	1	269,161	1	
7050	Finance costs	6(27)	(593,285)	(2)	(202,203)	(1)	
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	1,411,278	5	1,380,005	5	
7000	Total non-operating income and expenses		1,037,244	4	1,552,489	5	
7900	Profit before income tax		1,679,277	6	821,398	3	
7950	Income tax (expense) benefit	6(30)	(269,889)	(1)	8,186	-	
8200	Profit for the year		\$ 1,409,388	5	\$ 829,584	3	
Other comprehensive income							
Components of other comprehensive income that will not be reclassified to profit or loss							
8311	Actuarial gain on defined benefit plan	6(18)	\$ 8,556	-	\$ 4,962	-	
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(23)	(20,062)	-	(155,861)	(1)	
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(73,664)	-	(44,036)	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	44	-	(993)	-	
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(85,126)	-	(195,928)	(1)	
Components of other comprehensive income that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations	6(23)	99,781	-	476,300	2	
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(23)	34	-	370	-	
8399	Income tax relating to the components of other comprehensive income	6(30)	(19,963)	-	(95,334)	-	
8360	Components of other comprehensive income that will be reclassified to profit or loss		79,852	-	381,336	2	
8300	Other comprehensive (loss) income for the year, net of tax		(\$ 5,274)	-	\$ 185,408	1	
8500	Total comprehensive income for the year		\$ 1,404,114	5	\$ 1,014,992	4	
	Basic earnings per share	6(31)					
9750	Total basic earnings per share		\$ 5.21		\$ 3.19		
	Diluted earnings per share	6(31)					
9850	Total diluted earnings per share		\$ 5.18		\$ 3.16		

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity interest					
		Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation	Treasury stocks	Total equity
Year 2022											
Balance at January 1, 2022		\$ 2,636,713	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 275,230)	\$ 11,915,830
Profit for the year		-	-	-	-	829,584	-	-	-	-	829,584
Other comprehensive income (loss) for the year	6(23)	-	-	-	-	3,969	381,336	(199,897)	-	-	185,408
Total comprehensive income (loss) for the year		-	-	-	-	833,553	381,336	(199,897)	-	-	1,014,992
Appropriations of net income for 2021											
Legal reserve		-	-	224,946	-	(224,946)	-	-	-	-	-
Special reserve		-	-	-	78,098	(78,098)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,421,581)	-	-	-	-	(1,421,581)
Conversion of convertible bonds	6(21)	-	-	-	-	-	-	-	-	-	-
Compensation cost for employee restricted stocks	6(19)	37,961	167,571	-	-	-	-	-	-	-	205,532
Cancellation of employee restricted stocks	6(19)	-	-	-	-	-	-	-	32,105	-	32,105
Disposal of parent company's share by subsidiaries	6(21)	(410)	(2,157)	-	-	-	-	-	2,567	-	-
Generated from business combination-revaluation of financial assets at fair through other comprehensive income of consolidating subsidiary	6(23)	-	8,515	-	-	-	-	-	-	29,811	38,326
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(21)	-	-	-	-	(705)	-	705	-	-	-
Acquisition of additional equity interest of subsidiaries	6(32)	-	4,781	-	-	-	-	-	-	-	4,781
Disposal of equity interest of subsidiaries (yet to lose control)	6(32)	-	(3,821)	-	-	(45,579)	-	-	-	-	(49,400)
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	(357)	-	-	-	-	(357)
Early redemption of convertible bonds	6(21)	-	-	-	-	(2,731)	-	2,731	-	-	-
Change in net equity of investments accounted for under the equity method	6(21)	-	(24)	-	-	-	-	-	-	-	(24)
Return of employee stock ownership trust from employee resignation	6(21)	-	967	-	-	-	-	-	-	-	967
Balance at December 31, 2022		\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 245,419)	\$ 11,741,190

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity interest			Treasury stocks	Total equity	
		Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			Unearned stock-based employee compensation
Year 2023											
Balance at January 1, 2023		\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 245,419)	\$ 11,741,190
Profit for the year	6(23)	-	-	-	-	1,409,388	-	-	-	-	1,409,388
Other comprehensive income (loss) for the year		-	-	-	-	6,845	79,852	(91,971)	-	-	(5,274)
Total comprehensive income (loss) for the year		-	-	-	-	1,416,233	79,852	(91,971)	-	-	1,404,114
Appropriations of net income for 2022	6(22)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	78,418	-	(78,418)	-	-	-	-	-
Special reserve		-	-	-	(184,875)	184,875	-	-	-	-	-
Cash dividends		-	-	-	-	(526,931)	-	-	-	-	(526,931)
Issuance of employee restricted stocks	6(23)	25,000	129,250	-	-	-	-	-	(154,250)	-	19,281
Compensation cost for employee restricted stocks	6(23)	-	-	-	-	-	-	-	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(21)	-	-	-	-	-	-	-	-	-	-
Liquidation of subsidiary	6(21)	-	1,560	-	-	-	-	-	-	-	1,560
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	(12,059)	-	-	-	-	-	-	-	(12,059)
Return of employee stock ownership trust from employee resignation	6(21)	-	-	-	-	15,078	-	(15,078)	-	-	-
Cash capital increase	6(20)	300,000	1,553,930	-	-	-	-	-	-	-	1,853,930
Cash capital increase reserved for employee preemption	6(19)	-	67,012	-	-	-	-	-	-	-	67,012
Cancellation of treasury stocks	6(20)	(39,610)	(165,260)	-	-	-	-	-	-	204,870	-
Difference between consideration and carrying amount of subsidiaries acquired		-	-	-	-	(3,220)	-	-	-	-	(3,220)
Balance at December 31, 2023		\$ 2,959,654	\$ 7,364,360	\$ 1,339,255	\$ 1,065,038	\$ 3,085,421	(\$ 475,328)	(\$ 616,927)	(\$ 134,969)	(\$ 40,549)	\$ 14,545,973

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,679,277	\$ 821,398
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment	6(28)	81,313	68,376
Depreciation of investment property	6(26)	1,639	1,639
Depreciation of right-of-use assets	6(28)	13,267	19,290
Amortisation expense of intangible assets	6(28)	14,042	15,635
Expected credit loss (gain)	12(2)	1,477	(414)
Net loss (gain) on financial assets and liabilities at fair value	6(26)		
through profit or loss		(10,860)	3,214
Interest expense	6(27)	593,285	202,203
Interest income		(34,210)	(28,204)
Dividend income	6(25)	(3,912)	(1,331)
Compensation cost of share-based payment awards	6(19)	86,293	32,105
Share of profit of subsidiaries, associates and joint ventures	6(7)		
accounted for using the equity method		(1,411,278)	(1,380,005)
Loss on disposal of property, plant and equipment	6(26)	(30)	104
Loss (gain) on disposal of investments accounted for using the equity method	6(26)	3,665	(28)
Loss on investments accounted for using the equity method reassessment at fair value	6(26)	-	22,322
Impairment loss on investments accounted for using the equity method	6(13)(26)	93,364	-
(Realised) unrealised gain on inter-affiliate accounts		(38,493)	301,664
Gain on lease modification	6(26)	-	(16)
Gain (loss) on repurchase of convertible bonds	6(26)	-	(24)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss-current		(14,968)	(52,238)
Notes receivable, net		446	422
Accounts receivable, net		(5,433)	834,579
Accounts receivable-related parties, net		(491,350)	872,651
Other receivables		(23,148)	133,360
Other receivables-related parties		(20,904)	(11,180)
Inventories		(9,110,379)	2,007,808
Prepayments		(100,134)	(93,708)
Other non-current assets		(267)	(992)
Changes in operating liabilities			
Current contract liabilities		25,879	42,710
Notes payable		(164)	(526)
Accounts payable		1,105,696	(200,384)
Accounts payable - related parties		2,270,167	317,326
Other payables		93,971	(84,292)
Other payables - related parties		6,533	5,247
Provisions for liabilities - current		15,056	12,343
Other current liabilities, others		(28,597)	(13,844)
Cash (outflow) inflow generated from operations		(5,208,757)	3,847,210
Dividend received		377,012	302,681
Interest paid		(572,659)	(196,604)
Income tax refunded		2,024	-
Income tax paid		(4,934)	(122,971)
Net cash flows (used in) from operating activities		(5,407,314)	3,830,316

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		\$ 38,335	\$ 22,954
Acquisition of financial assets at fair value through profit or loss-non-current		(249,522)	(166,800)
Acquisition of financial assets at fair value through other comprehensive income-non-current		(194,853)	(422,264)
Refund of financial assets of fair value through profit or loss-capital reduction		-	5,000
Proceeds from disposal of financial assets at fair value through other comprehensive income-non-current		53,306	-
(Increase) decrease in financial assets at amortised cost-current		126,775	(319,415)
Acquisition of investments accounted for using the equity method		(87,651)	(361,800)
Proceeds from disposal of investments accounted for using the equity method		870	4,440
Acquisition of property, plant and equipment	6(34)	(312,115)	(3,708,831)
Proceeds from disposal of property, plant and equipment		30	21
(Increase) in refundable deposits		(8,049)	(21,721)
Decrease in refundable deposits		1,202	2,775
Acquisition of intangible assets		(3,485)	(8,287)
(Increase) decrease in other current assets		21,402	219,352
Other non-current assets, others		2,479	(387)
Prepayments for investments		(20,621)	-
Prepayments for equipment		(11,952)	(19,792)
Net cash flows used in investing activities		(643,849)	(4,774,755)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(35)	4,351,632	(3,262,475)
Increase (decrease) in short-term notes and bills payable	6(35)	900,000	(300,000)
Proceeds from long-term loans	6(35)	13,851,430	13,313,883
Repayment for long-term loans	6(35)	(15,664,672)	(6,144,504)
Increase in guarantee deposits received		-	1,431
Decrease in guarantee deposits received		-	(1,570)
Payments of lease liabilities	6(35)	(10,547)	(16,327)
Proceeds from cash capital increase	6(20)	1,853,930	-
Payment of cash dividends	6(22)	(526,931)	(1,421,581)
Early redemption of convertible bonds	6(35)	-	(900)
Return of employee stock ownership trust from employee resignation		1,096	19
Transactions with non-controlling interest-acquisition of additional equity interest in subsidiaries	6(32)	-	(150,665)
Acquisition of investments accounted for using the equity method-capital increase raised by subsidiaries	7(2)	(459,121)	(25,531)
Net cash flows from financing activities		4,296,817	1,991,780
Net (decrease) increase in cash and cash equivalents		(1,754,346)	1,047,341
Cash and cash equivalents at beginning of year		2,846,110	1,798,769
Cash and cash equivalents at end of year		\$ 1,091,764	\$ 2,846,110

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) ADATA TECHNOLOGY CO., LTD. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in May 2001. The Company is primarily engaged in the manufacture of electronic components, wholesale, manufacture and export of electronic materials and electric tricycle.

(2) The Company’s shares have been traded on the Taipei Exchange since October 2004.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 8, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets and liabilities at fair value through other comprehensive income.
 - (c) Defined benefit liabilities are recognized based on the net amount of pension fund assets and the present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translations

Items included in the financial statements of Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is New Taiwan dollars. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the subsidiaries and associates that have a

functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the exchange rates prevailing at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognized in other comprehensive income.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these

financial liabilities at fair value with any gain or loss recognised in profit or loss.

- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the

impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor)-operating leases

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted-average method. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sales.

(14) Investments accounted for using the equity method/ subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share in its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share in losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity

transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share in its associates' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share in losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share in change in equity of the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share in equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- J. The Company accounts for its interest in a joint venture using the equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share in its associates' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised

immediately. When the Company's share in losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

- K. Pursuant to the Regulations Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2~50 years
Machinery and equipment	2~10 years
Office equipment	2~ 6 years
Others	1~10 years

(16) Leasing arrangements (lessee)-right-of-use assets/lease liabilities/leases (lessee)

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at

which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

Intangible assets, mainly computer software are amortised on a straight-line basis, and their estimated useful lives are as follows:

Computer software	1~10 years

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

(20) Borrowings

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

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Convertible bonds payable

Convertible bonds issued by the Company contain conversion right (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options, and put options. The Company classifies the convertible bonds upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. Details are as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation by using the effective interest method.
- C. The embedded conversion right which meet the definition of an equity instrument are initially recognized in 'capital surplus-share options' at the residual amount of total issuance proceed less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds

payable as stated above. Conversion right is not subsequently remeasured.

- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion right, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus-share options'.

(24) Derecognition of financial liabilities

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

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(26) Provisions for other liabilities

Provisions (mainly are product warranties) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(27) Employee benefits

A. Short-term employees benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the

Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employees benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the Board Meeting's resolution.

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employees services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.
- (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees

resign during the vesting period, the Company will repurchase without paying consideration and retire those stocks, the Company recognizes such stocks repurchased as share capital and a deduction to capital surplus at the grant date, in accordance with the terms of restricted stocks.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

Cash dividends distributed from earnings in accordance with Articles of Incorporation of the Company are recognized as liabilities in the financial statements after resolving by the Board of Directors. In addition, the distribution of stock dividends is recognized as stock dividends to be distributed when the company's shareholders' meeting resolves to distribute, and transfers to share capital—common stock on the base date of issuance of new stocks.

(32) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells memory related products and electric tricycle. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales returns, volume discounts and sales discounts. Annual expected purchase and accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, which was recognized as refund liabilities, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.
- (c) The sales usually are made with a credit term of cash on delivery and 120 days after monthly billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (d) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognized as a provision.
- (e) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

- (a) The Company provides installation and memory product original equipment manufacturing services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract.
- (b) The Company's revenues, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share in the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Investment property

The Company uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion was immaterial.

(2) Critical accounting estimates and assumptions

A. Assessment of accounts receivable

The Company manages collections and assumes the related credit risks for their receivables. Management assesses customers' credit quality and collections periodically and adjusts customers' credit policies accordingly. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Company took into account factors that may influence customers' ability to pay, such as individual customer's past due period, financial status and economic condition at the balance sheet date and historical experience, and used the forecastability to assess the default possibility of accounts receivable.

B. Evaluation of inventories

In the inventory evaluation process, the Company must use judgment to evaluate the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Due to the technological changes, environmental changes and sales condition, the value of the inventory will change, which will affect the evaluation of the inventory.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 592	\$ 575
Checking accounts and demand deposits	1,091,172	1,095,065
Time deposits	-	1,750,470
	<u>\$ 1,091,764</u>	<u>\$ 2,846,110</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The cash and cash equivalents that were pledged to others as collaterals and classified as financial assets at amortized cost-current amounting to \$1,000,000 and \$1,111,420 for the years ended December 31, 2023 and 2022, respectively. Related information is provided in Note 8.
- C. The time deposits with maturities of more than three months to a year that were classified as financial assets at amortized cost current amounted to \$0 and \$15,355 as at December 31, 2023 and 2022, respectively.

(2) Financial assets at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 19,732	\$ 19,732
-Beneficiary certificates	66,750	40,913
subtotal	86,482	60,645
Valuation adjustment	11,226	(5,091)
	<u>\$ 97,708</u>	<u>\$ 55,554</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
-Unlisted stocks and beneficiary certificates	\$ 392,472	\$ 166,800
-Other agreement	23,850	-
subtotal	416,322	166,800
Valuation adjustment	22,525	38,851
	<u>\$ 438,847</u>	<u>\$ 205,651</u>

- A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31,	
	2023	2022
<u>Financial assets at fair value through profit or loss</u>		
-Listed stocks, unlisted stocks and beneficiary certificates	\$ 2,257	\$ 35,541
-Non-hedging derivatives	8,603	(38,306)
-Put and call options of convertible bonds	-	(449)
	<u>\$ 10,860</u>	<u>(\$ 3,214)</u>

- B. The Company has no financial assets at fair value through profit or loss pledged to others.

- C. Information relating to fair value is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Non-current items-equity instruments:		
-Listed stocks and emerging stocks	\$ 628,957	\$ 415,163
-Unlisted stocks	125,231	231,062
subtotal	754,188	646,225
Valuation adjustment	(296,669)	(268,026)
	<u>\$ 457,519</u>	<u>\$ 378,199</u>

- A. The Company has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

- B. The Company derecognized equity instruments investments of \$59,199 and \$0 at fair value due to financial management by selling and as the price of share payments of the invested company with gains and (losses) of (\$4,214) and \$0 for the years ended December 31, 2023 and 2022.

- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2023	2022
<u>Debt and equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive gains (losses)	(\$ 20,062)	(\$ 155,861)
Cumulative gains reclassified to retained earnings due to derecognition	<u>\$ 8,581</u>	<u>\$ 847</u>
Dividend income recognised in profit or loss		
Held at end of year	\$ 3,360	\$ 1,265
Derecognised during the year	-	-
	<u>\$ 3,360</u>	<u>\$ 1,265</u>

D. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to fair value is provided in Note 12(3).

(4) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	\$ 383	\$ 829
Accounts receivable	2,086,647	2,136,078
Accounts receivable-related parties	2,340,845	1,849,495
subtotal	4,427,492	3,985,573
Less: Allowance for uncollectible accounts	(3,128)	(1,894)
	\$ 4,424,364	\$ 3,983,679
Overdue receivables (shown as other non-current assets)	\$ 324	\$ 81
Less: Allowance for uncollectible accounts	(324)	(81)
	\$ -	\$ -

Overdue receivables refer to the amount that were outsourced for debt collections or were in debt litigations, or the balance at risk that were reported to insurance companies.

A. The ageing analysis of notes and accounts receivable and the information relating to credit risk are provided in Note 12(2).

B. As of December 31, 2023 and 2022, notes and accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of notes and accounts receivables from contracts with customers amounted to \$1,251 and \$5,780,833, respectively.

C. No collateral was held by the Company for above mentioned notes and accounts receivable.

(5) Transfer of financial assets

For the years ended December 31, 2023 and 2022, the Company entered into a factoring agreement with banks to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognized the transferred accounts receivable, and the related information is as follows:

December 31, 2023						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan, etc.	\$ 546,209	\$ 546,209	\$ 2,410,343	\$ 491,588	\$ -	Note 1
December 31, 2022						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Bank of Taiwan, etc.	\$ 115,682	\$ 115,682	\$ 2,807,969	\$ 27,839	\$ 76,275	Note 2

As of December 31, 2023 and 2022, the Company has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$54,621 and \$87,843, respectively.

Note 1: The advanced amount carried the interest rate of 5.83%~6.70% as at December 31, 2023.

Note 2: The advanced amount carried the interest rate of 1.80% as at December 31, 2022.

(6) Inventories

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,484,654	(\$ 19,564)	\$ 1,465,090
Work in progress	9,634,980	(48,561)	9,586,419
Semi-finished goods	313,813	(7,804)	306,009
Finished goods	2,719,366	(49,509)	2,669,857
	<u>\$ 14,152,813</u>	<u>(\$ 125,438)</u>	<u>\$ 14,027,375</u>

December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 325,561	(\$ 16,959)	\$ 308,602
Work in progress	3,073,536	(101,360)	2,972,176
Semi-finished goods	153,361	(11,915)	141,446
Finished goods	1,712,471	(217,699)	1,494,772
	<u>\$ 5,264,929</u>	<u>(\$ 347,933)</u>	<u>\$ 4,916,996</u>

A. Inventories are not pledged as collateral.

B. The cost of inventories recognized as expense by the Company for the period:

Years ended December 31,		
	2023	2022
Cost of goods sold	\$ 26,182,450	\$ 26,742,744
(Gain) loss on reversal of decline in market value	(222,495)	234,660
Others	10,996	13,606
	<u>\$ 25,970,951</u>	<u>\$ 26,991,010</u>

As the Company cleared the inventories that had been provisioned for the allowance for inventory valuation losses, the loss on decline in market value decreased, and the gain on reversal increased.

(7) Investments accounted for using the equity method

The Company's long-term equity investments accounted for using the equity method is as follows:

Investee	December 31, 2023	December 31, 2022
Asset accounts:		
Subsidiaries:		
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	\$ 671,183	\$ 714,125
ZHAO-XING INVESTMENT CO., LTD.	834,768	796,695
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	169,432	177,847
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	680,138	733,880
LIWANLI Innovation Co., Ltd.	799,751	832,686
ADATA HOLDINGS CO., LTD.	6,624,714	6,273,276
ADATA TECHNOLOGY (U.S.A) CO., LTD.	757,043	697,138
ADATA TECHNOLOGY B.V.	10,223	8,952
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	2,975,935	2,080,890
ADATA TECHNOLOGY (JAPAN) CO., LTD.	14,992	14,846
ADATA TECHNOLOGY MEXICO SDRL DE CV.	15,909	10,137
ALLIED TREASURE INC. LIMITED	180,192	366,118
JET CASTLE LIMITED	2,991	2,993
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	8,529	8,425
ADATA SEMICONDUCTOR PVT. LTD.	378,685	-
WE LEAD BIOTECH CO., LTD (Note 1)	1,176	1,650
FULLSUNGLOBAL DEVELOPMENT Company Limited (Note 2)	241,994	226,227
Awayspeed Technology Company Limited	25,233	27,078
	<u>14,392,888</u>	<u>12,972,963</u>
Associates:		
IROC CO., LTD.	372,187	436,992
ATRACK TECHNOLOGY INC.	313,795	327,801
Others	125,012	78,047
	<u>810,994</u>	<u>842,840</u>
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	1,715,794	1,523,720
	<u>\$ 16,919,676</u>	<u>\$ 15,339,523</u>
Liabilities accounts(Other non-current liabilities):		
Associates:		
Others	(\$ 3,311)	(\$ 3,299)

The investment gain accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to \$1,411,278 and \$1,380,005, respectively, of which the amounts of \$521,018 and \$704,488 were based on the financial statements audited by other auditors, and others were based on the financial statements audited by the auditors appointed by the Company.

Note 1: The Company has 39.41% of the equity interest in WE LEAD BIOTECH CO., LTD. and is the largest shareholder. As the General Manager is appointed by the Company, the Company has control over WE LEAD BIOTECH CO., LTD. in substance, and was included in the consolidated financial statements since June 1, 2022. Related information is provided in Note 6(33).

Note 2: The equity interests of FULLSUNGLOBAL DEVELOPMENT Co., Ltd. that was originally held by the Company was less than 50%. Subsequently, during the third quarter of 2022, the Company acquired equity interests of FULLSUNGLOBAL DEVELOPMENT Co., Ltd. from other shareholders, and participated in the capital increase raised by FULLSUNGLOBAL DEVELOPMENT Co., Ltd., resulting in the Company's shareholding ratio to increase to 55.45% and was included in the consolidated financial statements since September 23, 2022. Related information is provided in Note 6(33).

A. Subsidiaries

Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2023 consolidated financial statements.

B. Associates

The Company's associates are all individually immaterial to the Company, and the carrying amount of the Company's interests in all individually immaterial associates and the Company's share in the operating results are summarized below:

(a) As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$807,683 and \$839,541, respectively.

(b) Share in the operating results are summarized below:

	Years ended December 31,	
	2023	2022
Loss for the year	(\$ 35,312)	(\$ 58,976)
Other comprehensive loss, net of tax	(166)	(543)
Total comprehensive loss	<u>\$ (35,478)</u>	<u>(\$ 59,519)</u>

(c) The Company holds 26.14% of ATrack Technology Inc. and is the single largest shareholder of the company. Considering the degree of participation of other shareholders of ATrack Technology Inc. and the record of voting rights for major resolutions, the Company has only obtained two seats of seven in the Board of Directors of ATrack Technology Inc. Since the Company has no actual ability to lead the relevant activities, so it has no control over the company and only has a significant influence.

- (d) The information relating to impairment about investments accounted for using the equity method is provided in Note 6(13).

C. Joint venture

- (a) The basic information of the joint ventures that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2023	December 32, 2022		
Taiwan Sports Lottery Co., Ltd.	Taiwan	51.07%	51.07%	Joint venture	Equity method

- (b) The summarized financial information of the joint ventures, Taiwan Sports Lottery Co., Ltd., that are material to the Company is as follows:

i. Balance sheet

	Taiwan Sports Lottery Co., Ltd.	
	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 2,482,030	\$ 2,061,622
Other current assets	569,291	1,359,939
Current assets	3,051,321	3,421,561
Non-current assets	1,169,942	572,091
Total assets	\$ 4,221,263	\$ 3,993,652
Current financial liabilities (Note)	(\$ 295,551)	(\$ 492,276)
Other current liabilities	(401,508)	(435,440)
Current liabilities	(697,059)	(927,716)
Non-current liabilities	(164,515)	(82,345)
Total liabilities	(\$ 861,574)	(\$ 1,010,061)
Total net assets	\$ 3,359,689	\$ 2,983,591
Share in joint venture's net assets	\$ 1,715,794	\$ 1,523,720
Carrying amount of the joint venture	\$ 1,715,794	\$ 1,523,720

Note: It was excluding accounts payable, other payables and provision.

ii. Statement of comprehensive income

	Taiwan Sports Lottery Co., Ltd.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 3,228,961	\$ 3,218,408
Depreciation and amortisation	(\$ 85,220)	(\$ 79,275)
Interest income	\$ 13,049	\$ 2,790
Profit before income tax	\$ 1,380,637	\$ 1,566,434
Income tax expense	(273,938)	(317,943)
Profit for the year from continuing operations	\$ 1,106,699	\$ 1,248,491
Total comprehensive income	\$ 1,106,699	\$ 1,248,491
Dividends received from joint venture	\$ 373,100	\$ 300,000

- (c) The Company's principal joint venture, Taiwan Sports Lottery Co., Ltd., has no quoted market prices.

(8) Property, plant and equipment

	Land Owner -occupied	Buildings and structures			Office equipment		Others		Constuction in progrss and equipment to be inspected
		Owner -occupied	Lease	Subtotal	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	
<u>At January 1, 2023</u>									
Cost	\$ 3,780,202	\$ 2,146,694	\$ 12,223	\$ 2,158,917	\$ 53,311	\$ 258,066	\$ -	\$ -	\$ 6,250,496
Accumulated depreciation	-	(225,327)	(2,869)	(228,196)	(32,349)	(142,925)	-	(-	403,470)
	<u>\$ 3,780,202</u>	<u>\$ 1,921,367</u>	<u>\$ 9,354</u>	<u>\$ 1,930,721</u>	<u>\$ 20,962</u>	<u>\$ 115,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,847,026</u>
<u>2023</u>									
Opening net book amount as at January 1	\$ 3,780,202	\$ 1,921,367	\$ 9,354	\$ 1,930,721	\$ 20,962	\$ 115,141	\$ -	\$ -	\$ 5,847,026
Additions	123,164	74,073	-	74,073	1,601	34,002	113,261		346,101
Transfers for the year (Note)	-	(13,041)	13,041	-	69	40,297	3,966		44,332
Depreciation charge	-	(42,545)	(493)	(43,038)	(5,993)	(32,282)	-	(-	81,313)
Closing net book amount as at December 31	<u>\$ 3,903,366</u>	<u>\$ 1,939,854</u>	<u>\$ 21,902</u>	<u>\$ 1,961,756</u>	<u>\$ 16,639</u>	<u>\$ 157,158</u>	<u>\$ 117,227</u>	<u>\$ -</u>	<u>\$ 6,156,146</u>
<u>At December 31, 2023</u>									
Cost	\$ 3,903,366	\$ 2,206,056	\$ 26,934	\$ 2,232,990	\$ 52,067	\$ 323,593	\$ 117,227	\$ -	\$ 6,629,243
Accumulated depreciation	-	(266,202)	(5,032)	(271,234)	(35,428)	(166,435)	-	(-	473,097)
	<u>\$ 3,903,366</u>	<u>\$ 1,939,854</u>	<u>\$ 21,902</u>	<u>\$ 1,961,756</u>	<u>\$ 16,639</u>	<u>\$ 157,158</u>	<u>\$ 117,227</u>	<u>\$ -</u>	<u>\$ 6,156,146</u>

	Land			Buildings and structures			Office equipment		Others		Constuction in progrss and equipment to be inspected	
	Owner -occupied			Owner -occupied	Lease	Subtotal	Owner -occupied		Owner -occupied		Owner -occupied	Total
<u>At January 1, 2022</u>												
Cost	\$ 882,409	\$	534,723	\$	17,229	\$ 551,952	\$	33,300	\$	249,195	\$	\$ 1,716,856
Accumulated depreciation	-	(	188,764	(	4,042	(192,806)	(	26,253	(	117,514	-	(336,573)
<u>2022</u>	<u>\$ 882,409</u>	<u>\$</u>	<u>345,959</u>	<u>\$</u>	<u>13,187</u>	<u>\$ 359,146</u>	<u>\$</u>	<u>7,047</u>	<u>\$</u>	<u>131,681</u>	<u>\$</u>	<u>\$ 1,380,283</u>
Opening net book amount as at January 1	\$ 882,409	\$	345,959	\$	13,187	\$ 359,146	\$	7,047	\$	131,681	\$	\$ 1,380,283
Additions	2,082,522		1,603,403		-	1,603,403		20,175		8,821		3,714,921
Disposals	-	-	-	-	-	-	-	-	-	125	-	(125)
Transfers for the year (Note)	815,271	(	7,155	(	3,593	3,562	-	-	-	1,490	-	820,323
Depreciation charge	-	(	35,150	(	240	(35,390)	(	6,260	(	26,726)	-	(68,376)
Closing net book amount as at December 31	\$ 3,780,202	\$	1,921,367	\$	9,354	\$ 1,930,721	\$	20,962	\$	115,141	\$	\$ 5,847,026
<u>At December 31, 2022</u>												
Cost	\$ 3,780,202	\$	2,146,694	\$	12,223	\$ 2,158,917	\$	53,311	\$	258,066	\$	\$ 6,250,496
Accumulated depreciation	-	(	225,327	(	2,869	(228,196)	(	32,349	(	142,925)	-	(403,470)
	<u>\$ 3,780,202</u>	<u>\$</u>	<u>1,921,367</u>	<u>\$</u>	<u>9,354</u>	<u>\$ 1,930,721</u>	<u>\$</u>	<u>20,962</u>	<u>\$</u>	<u>115,141</u>	<u>\$</u>	<u>\$ 5,847,026</u>

Note : Including amount transferred from prepayment for equipment (shown as 'Other non-current assets') and the prepayments for real estate acquisition (shown as 'Other non-current assets').

A: No property, plant and equipment has capitalized interest.

B: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements-lessee

A. The Company leases various assets including buildings and structures and transportation equipment. Rental contracts are typically made for periods of 2 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Land and building	Office	Transportation equipment	Total
Balance, January 1, 2023	\$ 31,853	\$ 2,327	\$ 2,941	\$ 37,121
Additions	-	8,902	6,924	15,826
Modification-consideration adjustment	(750)	-	-	(750)
Reclassification	(375)	375	-	-
Depreciation	(4,430)	(6,392)	(2,445)	(13,267)
Balance, December 31, 2023	<u>\$ 26,298</u>	<u>\$ 5,212</u>	<u>\$ 7,420</u>	<u>\$ 38,930</u>

	Land and building	Office	Transportation equipment	Total
Balance, January 1, 2022	\$ 4,961	\$ 7,621	\$ 1,188	\$ 13,770
Additions	36,389	3,767	6,601	46,757
Modification-contract termination	-	-	(3,216)	(3,216)
Modification-consideration adjustment	(525)	(375)	-	(900)
Depreciation	(8,972)	(8,686)	(1,632)	(19,290)
Balance, December 31, 2022	<u>\$ 31,853</u>	<u>\$ 2,327</u>	<u>\$ 2,941</u>	<u>\$ 37,121</u>

C. Information on profit or loss in relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 683	\$ 695
Expense on short-term lease contracts	22,545	8,181
Expense on leases of low-value assets	416	379
Gain on lease modification	-	(16)
	<u>\$ 23,644</u>	<u>\$ 9,239</u>

D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)C., information about the principal repayment of lease liability for the years ended December 31, 2023 and 2022 is provided in Note 6(35).

(10) Leasing arrangements-lessor

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sold, subleased, lent to the third party or granted to the

third party in any circumstance.

B. For the years ended December 31, 2023 and 2022, information about the Company recognized rent income based on the operating lease agreement which does not include variable lease payments is provided in Note 6(25).

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2023	December 31, 2022
Next 1 year	\$ 5,254	\$ 3,029
Next 2 years	395	32
Next 3 years	-	-
	<u>\$ 5,649</u>	<u>\$ 3,061</u>

(11) Investment property

	Land	Buildings and structures	Total
<u>At January 1, 2023</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(13,004)	(13,004)
	<u>\$ 186,014</u>	<u>\$ 70,599</u>	<u>\$ 256,613</u>
<u>2023</u>			
Opening net book amount as at January 1	\$ 186,014	\$ 70,599	\$ 256,613
Depreciation Charge	-	(1,639)	(1,639)
Closing net book amount as at December 31	<u>\$ 186,014</u>	<u>\$ 68,960</u>	<u>\$ 254,974</u>
<u>At December 31, 2023</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(14,643)	(14,643)
	<u>\$ 186,014</u>	<u>\$ 68,960</u>	<u>\$ 254,974</u>
	Land	Buildings and structures	Total
<u>At January 1, 2022</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(11,365)	(11,365)
	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ 186,014	\$ 72,238	\$ 258,252
Depreciation Charge	-	(1,639)	(1,639)
Closing net book amount as at December 31	<u>\$ 186,014</u>	<u>\$ 70,599</u>	<u>\$ 256,613</u>
<u>At December 31, 2022</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(13,004)	(13,004)
	<u>\$ 186,014</u>	<u>\$ 70,599</u>	<u>\$ 256,613</u>

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

	Years ended December 31,	
	2023	2022
Rental income from investment property	\$ 6,184	\$ 6,300
Direct operating expenses arising from the investment property that generated rental income for the year	\$ 1,639	\$ 1,639

- B. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 amounted to \$512,614 and \$505,354, respectively. The above fair value is assessed by the Company's management with the market fair value of similar property.
- C. No investment property has capitalized interest.
- D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for equipment	\$ 15,255	\$ 51,240
Prepayments for investments	20,621	-
Others	99,304	92,960
	<u>\$ 135,180</u>	<u>\$ 144,200</u>

(13) Impairment of non-financial assets

Details of the Company's impairment loss are as follows:

	Years ended December 31,			
	2023		2022	
	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)
Impairment loss-investments accounted for using equity method (Note)	<u>(\$ 93,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The actual growth of the operating revenue of investments is not as expected and resulted in impairment losses in some of the investments accounted for using equity method. The Company wrote down the carrying amount of the assets based on the recoverable amount and recognized an impairment loss. The recoverable amount was determined based on value-in-use calculations in the appraisal report, and the pre-tax cash flow projections used in the calculations of value-in-use are based on financial budgets approved by the management, the discount rate used in the calculations of value-in-use is 4.16%, which is the after-tax weighted average cost of capital.

(14) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Unsecured loans	\$ 9,077,085	1.80%~6.62%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Unsecured loans	\$ 4,725,453	0.85%~1.93%	None

Information on interest expense recognized in profit or loss is provided in Note 6(27).

(15) Other payables

	December 31, 2023	December 31, 2022
Payable on employees' salaries and bonuses	\$ 283,425	\$ 258,160
Payable on equipment	43,380	9,394
Others	339,509	250,177
	<u>\$ 666,314</u>	<u>\$ 517,731</u>

(16) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	\$ -	\$ -
Less: Discount on bonds payable	-	-
	<u>\$ -</u>	<u>\$ -</u>

The terms of the 7th domestic secured convertible bonds issued by the Company are as follows:

- A. The regulatory authority has approved the 7th domestic secured convertible bonds issued by the Company. The total issuance amount is \$1,000,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from September 28, 2020 to September 28, 2025. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on September 28, 2020. As of October 3, 2022, all the bonds had been converted into common stock and redeemed.
- B. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- C. The conversion price is set up based on the pricing model specified in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$57.7 per share at issuance. The conversion price was adjusted from NT\$57.7 (in dollars) per share to NT\$56.1 (in dollars) per share since August 15, 2021 because of the distribution of cash dividends. The conversion price was adjusted from NT\$56.1 (in dollars) per share to NT\$50.8 (in dollars) per share since July 28, 2022 because of the distribution of cash dividends of 2021.

- D. The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
- E. The Company may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Company's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- F. The Company may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- G. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- H. For the years ended December 31, 2023 and 2022, the convertible bonds of \$0 and \$209,500 had been converted into 0 share and 3,796,101 shares of common stocks, respectively. As of December 31, 2023, the convertible bonds of \$999,100 had been converted into 17,575,557 shares of common stocks.
- I. For the years ended December 31, 2023 and 2022, the convertible bonds of \$0 and \$900 had been repurchased by the Company from the Taipei Exchange, respectively. As of December 31, 2023, the convertible bonds of \$900 had been repurchased by the Company from the Taipei Exchange.
- J. Upon issuance of convertible bonds, the equity conversion right amounting to \$27,500 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.7172%.

(17) Long-term borrowings

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,600,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	637,900
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	596,000
Secured borrowings	Borrowing period is from May 24, 2023 to May 24, 2025; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Unsecured borrowings	Borrowing period is from May 24, 2023 to May 24, 2025; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from July 21, 2022 to July 21, 2027; principal paid half-yearly from the 18th month, non-revolving credit	None	220,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	520,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal is paid monthly, non-revolving credit	Please refer to Note 8	17,583
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18th month, non-revolving credit	None	90,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal is repayable monthly from the 2nd year, non-revolving credit	Please refer to Note 8	264,804
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	655,120
Secured borrowings	Borrowing period is from June 6, 2022 to June 6, 2037; interest is repayable monthly; principal is repayable monthly from 4th year, non-revolving credit	Please refer to Note 8	627,000
Unsecured borrowings	Borrowing period is from August 24, 2022 to August 24, 2025; interest is repayable monthly; principal is repayable monthly, non-revolving credit	None	788,889

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Secured borrowings	Borrowing period is from November 23, 2022 to November 23, 2027; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	\$ 295,280
Secured borrowings	Borrowing period is from August 1, 2023 to August 1, 2038; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	151,430
			<u>\$ 10,064,006</u>
Less: Long-term liabilities, Current portion			<u>(613,373)</u>
			<u>\$ 9,450,633</u>

The long-term borrowings carried interest rate of 1.7100%~2.1287% as at December 31, 2023.

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 6,000,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	637,900
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	596,000
Secured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Unsecured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from July 21, 2022 to July 21, 2027; principal paid half-yearly from the 18th month, non-revolving credit	None	220,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	520,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal is paid monthly, non-revolving credit	Please refer to Note 8	47,726
Unsecured borrowings	Borrowing period is from December 21, 2020 to Dcember 21, 2025; principal paid half-yearly from the 18th month, non-revolving credit	None	135,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal is repayable monthly from the 2nd year, non-revolving credit	Please refer to Note 8	281,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	655,120
Secured borrowings	Borrowing period is from June 6, 2022 to June 6, 2037; interest is repayable monthly; principal is repayable monthly from 4th year, non-revolving credit	Please refer to Note 8	627,000
Unsecured borrowings	Borrowing period is from August 24, 2022 to August 24, 2025; interest is repayable monthly; principal is repayable monthly, non-revolving credit	None	1,262,222
Secured borrowings	Borrowing period is from November 23, 2022 to November 23, 2027; interest is repayable monthly; principal is repayable monthly from the 4th year, non-revolving credit	Please refer to Note 8	295,280
			11,877,248
Less: Long-term liabilities, Current portion			(564,481)
			<u>\$ 11,312,767</u>

The long-term borrowings carried interest rate of 1.4985%~1.9051% as at December 31, 2022. Information on interest expense recognized in profit or loss is provided in Note 6(27).

Note: In March 2021, the Company entered into a five-year syndicated loan agreement with 12 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$6,000,000. Since the second quarter of 2021, the loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

Based on the consolidated financial statements, the Company has not breached any undertaking under a long-term loan agreement as at December 31, 2023 and 2022.

(18) Pension plan

A. Defined benefit pension plan

- (a) The Company has defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (b) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 2,424)	(\$ 22,420)
Fair value of plan assets	<u>27,171</u>	<u>38,344</u>
Net defined benefit assets (shown as other non-current assets)	<u>\$ 24,747</u>	<u>\$ 15,924</u>

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

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
<u>Year ended December 31, 2023</u>			
Balance at January 1	(\$ 22,420)	\$ 38,344	\$ 15,924
Interest (expense) income	(302)	523	221
	(22,722)	38,867	16,145
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	120	120
Change in financial assumptions	182	-	182
Experience adjustments	8,254	-	8,254
	8,436	120	8,556
Pension fund contribution	-	46	46
Pension fund paid	11,862	(11,862)	-
Balance at December 31	(\$ 2,424)	\$ 27,171	\$ 24,747
	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
<u>Year ended December 31, 2022</u>			
Balance at January 1	(\$ 24,643)	\$ 34,613	\$ 9,970
Interest (expense) income	(177)	252	75
	(24,820)	34,865	10,045
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,562	2,562
Change in financial assumptions	1,667	-	1,667
Experience adjustments	733	-	733
	2,400	2,562	4,962
Pension fund contribution	-	917	917
Balance at December 31	(\$ 22,420)	\$ 38,344	\$ 15,924

(d) The Bank of Taiwan was commissioned to manage the Fund of the defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable

from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	Years ended December 31,	
	2023	2022
Discount rates	1.60%	1.35%
Future salary increases	4.50%	4.50%

Mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

	Discount rates		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 175)	\$ 189	\$ 376	(\$ 325)
	Discount rates		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 650)	\$ 673	\$ 1,300	(\$ 1,233)

The sensitivity analysis above is based on one assumption which changed while the other conditions that 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.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$0.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 33.8 years.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were \$36,043 and \$34,146, respectively.

(19) Share-based payment

A. The Company's share-based payment arrangements were as follows:

(a) Shares of employees restricted stocks

i. 2020

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 27, 2020 and June 19, 2020, respectively. The employee restricted stocks were effective on October 13, 2020 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on December 10, 2020 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on January 4, 2021. The aforementioned restricted stocks were issued for the full-time employees.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Settlement method
Employee restricted shares	December 10, 2020	2,500,000 shares	2 years	Performance conditions achieved (Note 1)	Equity-settled

Note 1: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (i) 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (ii) 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

ii. 2023

The Company proposed to issue a total of 2.5 million shares of employee restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 13, 2023 and June 2, 2023, respectively. The employee restricted stocks were effective on October 24, 2023 as approved by the authorities, and were resolved at the meeting of Board of Directors to be issued on November 8, 2023 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on December 8, 2023. The aforementioned restricted stocks were issued for the full-time employees.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Settlement method
Employee restricted shares	November 8, 2023	2,500,000 shares	2 years	Performance conditions achieved (Note 2)	Equity-settled

Note 2: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (i) 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (ii) 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

(b) Cash capital increase reserved for employee preemption

Type of arrangement	Grant date	Quantity granted	Contract period	Settlement method
Cash capital increase reserved for employee preemption	August 29, 2023	4,268,300 shares	N/A	Immediately vested

B. Details of the above share-based payment agreement are as follows:

(a) Shares of employees restricted stocks

	2023		2022	
	Amount(shares)	Weighted-average exercise price (in dollars)	Amount(shares)	Weighted-average exercise price (in dollars)
Employee restricted shares outstanding at January 1	-	-	1,241,000	-
Issue employee restricted shares	2,500,000	-	-	-
Cancellation of employee restricted shares	-	-	(41,000)	-
Vested employee restricted shares	-	-	(1,200,000)	-
Employee restricted shares outstanding at December 31	<u>2,500,000</u>	-	<u>-</u>	-

(b) Cash capital increase reserved for employee preemption

The number of shares granted during the third quarter of year 2023 totaled 4,286,300 shares, and the exercise price was \$62 (in dollar) per share, which had been fully subscribed at the time of issuance.

C. The relevant information about the fair value of the stock option estimated in the share-based payment transaction of the Company is as follows:

(a) Shares of employees restricted stocks

i. 2020

Using Monte Carlo simulation model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 1)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee restricted shares	December 10, 2020	74.7	-	39.80%	2 years	9.7%	0.2113% ~ 0.2289%	62.60

Note 1: Expected price volatility rate was estimated by using the annualised standard deviation by using the daily rates of returns of the Company's historical stock prices.

ii. 2023

Using Monte Carlo simulation model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 2)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee restricted shares	November 8, 2023	96.3	-	41.1%	2 years	15.3%	1.1458% ~ 1.1731%	61.70

Note 2: Expected price volatility rate was estimated by using the annualised standard deviation by using the daily rates of returns of the Company's historical stock prices.

(b) Cash capital increase reserved for employee preemption

Using Black-Scholes model:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note 3)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	August 29, 2023	77.6	62.0	37.01%	0.0849 years	-	1.0556%	15.70

Note 3: The expected annualized stock price volatility is calculated with reference to the company's stock price in the recent year as the sample range.

D. Related effects incurred on share-based payment transactions are shown below:

(a) Wages and salaries

Wages and salaries incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2023	2022
Restricted stocks to employees	\$ 19,281	\$ 32,105
Cash capital increase reserved for employee preemption	67,012	-
	<u>\$ 86,293</u>	<u>\$ 32,105</u>

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2023	2022
Restricted stocks to employees	\$ 129,250	(\$ 2,157)
Cash capital increase reserved for employee preemption	67,012	-
	<u>\$ 196,262</u>	<u>(\$ 2,157)</u>

(20) Share capital

A. As of December 31, 2023, the Company's authorized capital was \$6,000,000, consisting of 600,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employee stock options), and the paid-in capital was \$2,959,654 with a par value of \$10 (in dollars) per share, equivalent to 295,965,448 shares. The Company's actual outstanding shares was 295,965,448 shares, net of treasury shares and awaiting retirement shares. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding, excluding treasury stock, are as follows: (unit: shares)

	Years ended December 31,	
	2023	2022
At January 1	263,465,448	259,710,347
Cash capital increase	30,000,000	-
Conversion of convertible bonds	-	3,796,101
Issue employee restricted shares	2,500,000	-
Cancellation of employee restricted shares	-	(41,000)
At December 31	<u>295,965,448</u>	<u>263,465,448</u>

The Board of Directors resolved on July 10, 2023 to raise additional cash through the issuance of 30,000,000 ordinary shares with a par value at \$10 (in dollar) per share. The issue price was \$62 (in dollar) per share, and total amount raised was \$1,853,930. The record date of the capital increase was set on September 25, 2023, and registration of aforementioned transaction was completed.

B. Conversion of convertible bonds

For the years ended December 31, 2023 and 2022, the Company issued 0 and 3,796,101 shares of ordinary shares because of conversion of secured convertible bonds. The registration for part of the issuance of conversion was completed.

C. Treasury shares

(a) The Company

i. Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2023	
		Number of shares	Carrying amount
The Company	To be reissued to employees	-	\$ -

Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ 204,870

- ii. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- iii. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.
- iv. Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the five-year period are to be retired.
- v. Details of repurchasing outstanding shares:

2020(10th)

On March 19, 2020, the Board of Directors of the Company resolved to purchase treasury shares. The expected number of shares to be repurchased was 6 million shares, and the Company has repurchased 5,461,000 shares amounting to \$282,450. The Board of Directors of the Company has resolved to transfer 1,500,000 treasury stocks that the Company repurchased in 2020 for the tenth time to employees at a transfer price of \$45 on July 15, 2021. The grant date of the shared-based payment giving is July 15, 2021. After the deduction of securities transaction tax, the amount of the securities transaction was \$67,297 and was actually transferred to the employees on July 15, 2021.

For the treasury shares had not been reissued within the three-year period, the Board of Directors of the Company resolved on July 10, 2023 to retire the shares with the record date set on July 10, 2023. The registration of aforementioned transaction was completed.

(b) Subsidiaries

The subsidiary of the Company, LIWANLI Innovation Co., Ltd., and its subsidiaries is the subsidiary over which the Company has substantial control since June 30, 2017, Such investment on the Company's shares is a general investment. Details are as follows:

	December 31, 2023	
	Number of shares	Carrying amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	780,000	\$ <u>40,549</u>

	December 31, 2022	
	Number of shares	Carrying amount
LIWANLI Innovation Co., Ltd. and its subsidiaries	780,000	\$ <u>40,549</u>

(21) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. The changes of capital surplus are listed below:

	Year ended December 31, 2023								
	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of acquiring or disposing subsidiaries	Changes in equity of investment accounted for using the equity method	Employee restricted shares	Total
At January 1	\$ 5,591,218	\$ -	\$ 30,688	\$ 466	\$ 165,492	\$ -	\$ 967	\$ -	\$ 5,788,831
Cash capital increase	1,620,942	(67,012)	-	-	-	-	-	-	1,553,930
Cash capital increase reserved for employee preemption	-	67,012	-	-	-	-	-	-	67,012
Issue of employee restricted stocks	-	-	-	-	-	-	-	129,250	129,250
Adjustment of capital surplus for dividends issued to subsidiaries	-	-	-	-	1,560	-	-	-	1,560
Liquidation of subsidiaries	-	-	(12,059)	-	-	-	-	-	(12,059)
Return of employee stock ownership trust	-	-	-	-	1,096	-	-	-	1,096
Cancellation of treasury stocks	(82,266)	-	-	-	(82,994)	-	-	-	(165,260)
At December 31	<u>\$ 7,129,894</u>	<u>\$ -</u>	<u>\$ 18,629</u>	<u>\$ 466</u>	<u>\$ 85,154</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ 129,250</u>	<u>\$ 7,364,360</u>

	Year ended December 31, 2022								
	Share premium	Stock options	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of acquiring or disposing subsidiaries	Changes in equity of investment accounted for using the equity method	Employee restricted shares	Total
At January 1	\$ 5,354,765	\$ 5,786	\$ 23,801	\$ 466	\$ 152,177	\$ 10,708	\$ -	\$ 65,277	\$ 5,612,980
Reclassification	-	-	6,887	-	-	(6,887)	-	-	-
Conversion of									
convertible bonds	173,333	(5,762)	-	-	-	-	-	-	167,571
Cancellation of employee restricted stocks	-	-	-	-	-	-	-	(2,157)	(2,157)
Disposal of parent's shares by subsidiaries	-	-	-	-	8,515	-	-	-	8,515
Adjustments of capital surplus for dividends issued to subsidiary	-	-	-	-	4,781	-	-	-	4,781
Acquisition of subsidiaries interest	-	-	-	-	-	(3,821)	-	-	(3,821)
Vested employee restricted shares	63,120	-	-	-	-	-	-	(63,120)	-
Change in net equity of investment accounted for under the equity method	-	-	-	-	-	-	967	-	967
Return of employee stock ownership trust	-	-	-	-	19	-	-	-	19
Earlier redemption of convertible bonds	-	(24)	-	-	-	-	-	-	(24)
At December 31	<u>\$ 5,591,218</u>	<u>\$ -</u>	<u>\$ 30,688</u>	<u>\$ 466</u>	<u>\$ 165,492</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ -</u>	<u>\$ 5,788,831</u>

(22) Retained earnings

A. Earnings allocation under the Company's Articles of Incorporation

(a) After the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, the Company distributes earnings or offsets losses after the end of every half fiscal year. When distributing earnings, the Company shall first estimate and reserve an amount for employee bonuses and directors' remuneration in accordance with Article 32, Paragraph 1, and then allocate 10 % of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall also allocate or reserve the special reserve in accordance with the law. The Board of Directors shall prepare a dividend distribution proposal for any remaining amount along with undistributed earnings at the beginning of the period. If it is distributed in cash, it shall be decided by a majority vote at a Board Meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting for approval if it involves the issuance of new shares. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10%

of the total dividends distributed.

The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board Meeting with at least two thirds of directors in attendance and the decision shall be reported during a shareholders' meeting.

- (b) Before the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, if the Company's final accounts show a profit, the Company shall first pay taxes in accordance with the law and the offset accumulated losses, and then allocate 10% of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall then allocate or reverse the special reserve in accordance with the law.

The Board of Directors shall prepare a dividend distribution proposal for the amount remaining after distribution in the preceding paragraph plus undistributed earnings in previous years, and then submit the proposal to the shareholders' meeting for resolution.

The Company adopts the principle of steady and balance for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board Meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. Unappropriated earnings

- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve of \$138,382 on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-Order No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of, or reclassified subsequently.

D. Distribution of earnings

- (a) The distribution of earnings for the year ended December 31, 2023, has not yet been resolved.
- (b) On August 8, 2023, the Board of Directors passed a resolution that no surplus would be distributed in the first half of 2023.
- (c) The appropriations of earnings of years 2022 and 2021 as resolved by the shareholders on June 2, 2023 and June 14, 2022, respectively, are as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 78,418		\$ 224,946	
(Reversal of) special reserve appropriated	(184,875)		78,098	
Cash dividends	526,931	2.0	1,421,581	5.5
	<u>\$ 420,474</u>		<u>\$ 1,724,625</u>	

(23) Other equity items

	2023			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 1,065,058)
Issue employee restricted shares	-	-	(154,250)	(154,250)
Compensation cost for employee restricted stocks	-	-	19,281	19,281
Revaluation-gross:				
-Parent company	-	(20,062)	-	(20,062)
-Tax on parent company	-	1,755	-	1,755
-Subsidiaries	-	(79,049)	-	(79,049)
-Tax on subsidiaries	-	5,585	-	5,585
-Associates	-	(200)	-	(200)
Valuation transferred to retained earnings-gross:				
-Parent company	-	(8,581)	-	(8,581)
-Subsidiaries	-	(6,497)	-	(6,497)
Currency translation differences:				
-Parent company	99,781	-	-	99,781
-Associates	34	-	-	34
-Tax on currency translation differences	(19,963)	-	-	(19,963)
At December 31	<u>(\$ 475,328)</u>	<u>(\$ 616,927)</u>	<u>(\$ 134,969)</u>	<u>(\$ 1,227,224)</u>

	2022			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 1,284,605)
Compensation cost for employee restricted shares	-	-	32,105	32,105
Cancellation of employee restricted shares	-	-	2,567	2,567
Revaluation-gross:				
-Parent company	- (	155,861)	- (	155,861)
-Subsidiaries	- (	47,122)	- (	47,122)
-Tax on subsidiaries	-	3,999	-	3,999
-Associates	- (	913)	- (	913)
Valuation transferred to retained earnings-gross:				
-Generated in a business combination	-	705	-	705
-Parent company	- (	847)	- (	847)
-Subsidiaries	-	3,578	-	3,578
Currency translation differences:				
-Parent company	476,300	-	-	476,300
-Associates	370	-	-	370
-Tax on currency translation differences	(95,334)	-	-	(95,334)
At December 31	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 1,065,058)

(24) Operating revenue

A. The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Contract revenue					
Year ended December 31, 2023	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 5,682,519	\$ 11,563,888	\$ 7,517,345	\$ 1,259,201	\$ 2,922,028	\$ 28,944,981
Over time	30	-	-	-	-	30
	<u>\$ 5,682,549</u>	<u>\$ 11,563,888</u>	<u>\$ 7,517,345</u>	<u>\$ 1,259,201</u>	<u>\$ 2,922,028</u>	<u>\$ 28,945,011</u>
	Contract revenue					
Year ended December 31, 2022	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 6,622,264	\$ 10,118,506	\$ 7,074,805	\$ 1,217,267	\$ 3,611,015	\$ 28,643,857
Over time	1,123	-	-	-	-	1,123
	<u>\$ 6,623,387</u>	<u>\$ 10,118,506</u>	<u>\$ 7,074,805</u>	<u>\$ 1,217,267</u>	<u>\$ 3,611,015</u>	<u>\$ 28,644,980</u>

B. Contract liabilities

(a) The Company has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Sales revenue and service revenue contract	<u>\$ 104,932</u>	<u>\$ 79,053</u>	<u>\$ 36,343</u>

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period

	Years ended December 31,	
	2023	2022
Sales revenue and service revenue contract	\$ 79,053	\$ 36,343

(25) Other income

	Years ended December 31,	
	2023	2022
Dividend income	\$ 3,912	\$ 1,331
Rental revenue	9,346	9,861
Government grants revenue	10,190	12,023
Technology licensing revenue	27,651	15,516
Lottery management revenue	14,818	15,053
Other income	9,418	23,538
	<u>\$ 75,335</u>	<u>\$ 77,322</u>

(26) Other gains and losses

	Years ended December 31,	
	2023	2022
Gains (losses) on disposal of property, plant and equipment	\$ 30	(\$ 104)
Gains (losses) on disposal of investments accounted for using the equity method	(3,665)	28
Gains on lease modification - contract termination	-	16
Net currency exchange gains	203,475	289,342
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	10,860	(3,214)
Gains on redemption of convertible bonds	-	24
Losses on revaluation of investments accounted for using the equity method	-	(22,322)
Losses on impairment of investments accounted for using the equity method	(93,364)	-
Depreciation charges on investment property	(1,639)	(1,639)
Other gains (losses)	(5,991)	7,030
	<u>\$ 109,706</u>	<u>\$ 269,161</u>

(27) Finance costs

	Years ended December 31,	
	2023	2022
Bank borrowings	\$ 592,602	\$ 199,654
Lease liabilities	683	695
Amortization of bond discount	-	1,854
	<u>\$ 593,285</u>	<u>\$ 202,203</u>

(28) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 1,267,700	\$ 1,102,501
Depreciation charges on property, plant and equipment	\$ 81,313	\$ 68,376
Depreciation charges on right-of-use assets	\$ 13,267	\$ 19,290
Amortisation charges on intangible assets	\$ 14,042	\$ 15,635

(29) Employee benefit expenses

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 1,104,130	\$ 947,536
Labour and health insurance fees	68,816	71,933
Pension costs	35,822	34,071
Directors' remuneration	18,366	9,149
Other personnel expenses	40,566	39,812
	<u>\$ 1,267,700</u>	<u>\$ 1,102,501</u>

A. The Company's Articles of Incorporation provides that, if the Company has any profit for the current year, the Company ratio shall not be lower than 1% for employees' compensation in the form of shares or in cash as resolved by the Board of Directors. For employees of subsidiaries of the Company meeting certain specific requirements can share the distribution, the qualification requirements are set by the Chairman of the Board. The Company can distribute directors' and supervisors' remuneration no higher than 1%.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, if a company has accumulated deficit, earnings should be used in offsetting losses, then distributed as the employees' compensation and directors' and supervisors' remuneration in accordance with above mentioned proportion.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$89,314 and \$43,691, respectively; directors' and supervisors' remuneration was accrued at \$17,865 and \$8,738, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year for the year ended December 31, 2023, respectively.

Employees' compensation and directors' and supervisors' remuneration of 2022 amounting to \$43,691 and \$8,738, respectively, as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 financial statements. As of December 31, 2023, the amounts of \$43,691 and \$8,738 were distributed in the form of cash, respectively.

- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Years ended December 31,	
	2023	2022
Current tax:		
Current income tax liabilities	\$ 47,271	\$ -
Current income tax assets	(78,176)	(72,536)
Prior year refundable tax	78,176	-
Prepaid income tax	3,848	78,171
Prior year income tax (over) underestimation	(6,578)	(67,031)
Tax on undistributed surplus earnings	(14,988)	-
Total current tax	29,553	(61,396)
Deferred tax:		
Origination and reversal of temporary differences	225,348	53,210
Other:		
Tax on undistributed surplus earnings	14,988	-
Income tax expense (benefit)	\$ 269,889	(\$ 8,186)

- (b) The Company did not have income tax debited or credited to equity. The income tax expense (benefit) relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 1,755)	\$ -
Currency translation differences	19,963	95,334
Remeasurement of defined benefit obligations	1,711	993
	\$ 19,919	\$ 96,327

B. Reconciliation between income tax expense (benefit) and accounting profit :

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 335,855	\$ 164,280
Tax exempt income by tax regulation	(451)	(7,114)
Gains on domestic investments accounted for using the equity method	(113,035)	(125,345)
Losses on domestic investments accounted for using the equity method	24,477	22,175
Impairment loss on investments accounted for using the equity method	18,673	-
Tax-exemption of domestic dividend income	(783)	(266)
Gains (losses) on revaluation of investments accounted for using the equity method	-	4,464
Tax on undistributed surplus earnings	14,988	-
Prior year income tax (over) underestimation	(6,578)	(67,031)
Others	(3,257)	651
Income tax expense (benefit)	<u>\$ 269,889</u>	<u>(\$ 8,186)</u>

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

	2023			
	January 1	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory valuation	\$ 69,587	(\$ 44,499)	\$ -	\$ 25,088
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	62,246	(7,699)	-	54,547
Unrealised loss on domestic investments accounted for using the equity method	86,495	12,711	-	99,206
Payable for unpaid annual leave	6,267	(870)	-	5,397
Provisions for liabilities	6,114	2,373	-	8,487
Currency translation differences	138,794	-	(19,963)	118,831
Unrealised foreign exchange loss	2,675	(2,675)	-	-
Unrealised loss on financial assets at fair value through other comprehensive income	-	-	1,755	1,755
Others	4,147	(2,557)	-	1,590
Subtotal	<u>386,488</u>	<u>(43,216)</u>	<u>(18,208)</u>	<u>325,064</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(1,644)	1,644	-	-
Net defined benefit assets	(3,185)	-	(1,711)	(4,896)
Unrealised gain on exchange	-	(15,686)	-	(15,686)
Unrealised gain on investment	(1,024,584)	(168,090)	-	(1,192,674)
Subtotal	<u>(1,029,413)</u>	<u>(182,132)</u>	<u>(1,711)</u>	<u>(1,213,256)</u>
Total	<u>(\$ 642,925)</u>	<u>(\$ 225,348)</u>	<u>(\$ 19,919)</u>	<u>(\$ 888,192)</u>

2022				
	January 1	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory valuation	\$ 22,655	\$ 46,932	\$ -	\$ 69,587
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	1,913	60,333	-	62,246
Unrealised loss on domestic investments accounted for using the equity method	31,145	55,350	-	86,495
Payable for unpaid annual leave	5,529	738	-	6,267
Provisions for liabilities	1,825	4,289	-	6,114
Currency translation differences	234,128	-	(95,334)	138,794
Unrealised foreign exchange loss	1,424	1,251	-	2,675
Others	6,704	(2,557)	-	4,147
Subtotal	315,486	166,336	(95,334)	386,488
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(10,478)	8,834	-	(1,644)
Net defined benefit assets	(1,994)	(198)	(993)	(3,185)
Unrealised investment income	(796,402)	(228,182)	-	(1,024,584)
Subtotal	(808,874)	(219,546)	(993)	(1,029,413)
Total	(\$ 493,388)	(\$ 53,210)	(\$ 96,327)	(\$ 642,925)

D. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Accumulated impairment loss of investments accounted for using the equity method	\$ 228,183	\$ 134,819

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(31) Earnings per share

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,409,388	270,740	\$ 5.21
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,409,388	270,740	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	990	
-Employee restricted shares	-	183	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 1,409,388	271,913	\$ 5.18
Year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 829,584	260,382	\$ 3.19
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 829,584	260,382	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,040	
-Convertible bonds	2,303	911	
-Employee restricted shares	-	1,152	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 831,887	263,485	\$ 3.16

(32) Transactions with non-controlling interest

Information about acquisition of additional equity interest in a subsidiary, disposal of equity interest in a subsidiary (yet to lose the power of control), and the Company did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary are provided in Note 6(33) of the Company's consolidated financial statements for the years ended December 31, 2023 and 2022.

(33) Business combinations

In 2022, the Company included WE LEAD BIOTECH CO., LTD. and FULLSUNGLOBAL DEVELOPMENT Company Limited as consolidated entities, the related information is provided in Note 6(34) of the Company's consolidated financial statements for the years ended December 31, 2023 and 2022.

(34) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 346,101	\$ 3,714,921
Add: Opening balance of payable on equipment	9,394	3,304
Less: Ending balance of payable on equipment	(43,380)	(9,394)
Cash paid during the year	<u>\$ 312,115</u>	<u>\$ 3,708,831</u>

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2023	2022
Acquisition of right-of-use assets	\$ 15,826	\$ 46,757
Add: Additional lease liabilities during the year	(15,826)	(46,757)
Cash paid during the year	<u>\$ -</u>	<u>\$ -</u>

	Years ended December 31,	
	2023	2022
Convertible bonds converted to capital stocks	<u>\$ -</u>	<u>\$ 205,532</u>

(35) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2023	\$ 4,725,453	\$ 200,000	\$ -	\$ 11,877,248	\$ 40,088
Increase in cash flow from financing activities	4,351,632	900,000	-	13,851,430	-
Decrease in cash flow from financing activities	-	-	-	(15,664,672)	(10,547)
Increase in lease liabilities	-	-	-	-	15,826
Changes in other non-cash items	-	-	-	-	(750)
At December 31, 2023	<u>\$ 9,077,085</u>	<u>\$ 1,100,000</u>	<u>\$ -</u>	<u>\$ 10,064,006</u>	<u>\$ 44,617</u>

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/ non-current)
At January 1, 2022	\$ 7,987,928	\$ 500,000	\$ 206,105	\$ 4,707,869	\$ 13,790
Increase in cash flow from financing activities	-	-	-	13,313,883	-
Decrease in cash flow from financing activities	(3,262,475)	(300,000)	(900)	(6,144,504)	(16,327)
Increase in lease liabilities	-	-	-	-	46,757
Amortisation of discounts on bonds payable	-	-	1,854	-	-
Changes in other non-cash items	-	-	(207,059)	-	(4,132)
At December 31, 2022	<u>\$ 4,725,453</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 11,877,248</u>	<u>\$ 40,088</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ADATA INTEGRATION BRAZIL S/A	Subsidiary
ADATA ELECTRONICS BRAZIL S/A	Subsidiary
ADATA TECHNOLOGY (HK) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (INDIA) PVT. LTD.	Subsidiary
ADATA TECHNOLOGY (JAPAN) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Subsidiary
ADATA TECHNOLOGY B.V.	Subsidiary
ADATA TECHNOLOGY MEXICO SDRL DE CV	Subsidiary
ADATA HOLDINGS CO., LTD.	Subsidiary
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Subsidiary
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
ZHAO-XING INVESTMENT CO., LTD.	Subsidiary
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Subsidiary
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Subsidiary
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
LIWANLI Innovation Co., Ltd.	Subsidiary
Alwayspeed Technology Company Limited	Subsidiary
WE LEAD BIOTECH CO., LTD.	Subsidiary (Associate before June 1, 2022)
FULLSUNGLOBAL DEVELOPMENT Company Limited	Subsidiary (Associate before September 23, 2022)
ADATA SEMICONDUCTOR PVT. LTD.	Subsidiary
IROC Co., Ltd.	Associate
Atrack Technology Inc.	Associate
Taiwan Biomedical Company	Associate
All In Digital Co., Ltd.	Associate
Xrider Industrial Co., Ltd	Associate
Baasid International Lab Co., Ltd.	Associate
Taiwan Sports Lottery Co., Ltd.	Joint venture
ATESTINC CO., LTD.	Other related party
Esmond Natural (Taiwan) Co., Ltd.	Other related party
Zhaolong Investment Co., Ltd.	Other related party
All directors and officials above vice general manager	The Company's key management and governance body

(2) Significant related party transactions and balances

A. Sales transaction

(a) Operating revenue

Operating revenue arising from sales to related parties is as follows:

	Years ended December 31,	
	2023	2022
Subsidiaries		
— ADATA TECHNOLOGY (HK) CO., LTD.	\$ 4,571,432	\$ 4,564,578
— ADATA TECHNOLOGY (U.S.A.) CO., LTD.	6,055,212	5,540,661
— ADATA ELECTRONICS (SHANGHAI) CO., LTD.	931,150	406,006
— Others	75,358	12,939
Associates	4,238	188
	<u>\$ 11,637,390</u>	<u>\$ 10,524,372</u>

Sales price to related parties are based on market price. The collection terms were shipped after pre-payment of goods to 150 days after monthly billings for the third parties, and the collection terms to the related parties were 90 days after monthly billings.

(b) Accounts receivable

Details of accounts receivable from related parties are as follows:

	December 31, 2023	December 31, 2022
Subsidiaries		
— ADATA TECHNOLOGY (HK) CO., LTD.	\$ 767,281	\$ 968,511
— ADATA TECHNOLOGY (U.S.A.) CO., LTD.	1,327,407	724,960
— ADATA ELECTRONICS (SHANGHAI) CO., LTD.	231,449	152,795
— Others	14,708	3,229
	<u>\$ 2,340,845</u>	<u>\$ 1,849,495</u>

B. Purchases of goods

(a) Operating cost

Details of purchasing of goods and manufacturing services from related parties are as follows:

	Years ended December 31,	
	2023	2022
Purchases of goods:		
Subsidiaries	\$ 11,581	\$ 85,921
Associates	220	3,632
	<u>\$ 11,801</u>	<u>\$ 89,553</u>
Purchases of services:		
Subsidiary		
-ADATA TECHNOLOGY (SUZHOU)		
CO., LTD.	<u>\$ 2,989,701</u>	<u>\$ 2,297,756</u>

The purchase price and payment terms that the Company provided to related parties are based on the market prices. The payment terms to the third parties were paid upon receipt of goods to 180 days after monthly billings, and the payment terms to the related parties were 60 days after monthly billings.

(b) Accounts payable

Details of accounts payable arising from purchasing from aforementioned related parties are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries		
—ADATA TECHNOLOGY (SUZHOU)	\$ 5,854,930	\$ 3,584,683
CO., LTD.		
Associates	-	80
	<u>\$ 5,854,930</u>	<u>\$ 3,584,763</u>

C. Acquisition of financial assets

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2023 Consideration
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	200,000	Stocks	\$ 2,000
FULLSUNGLOBAL DEVELOPMENT CO., LTD.	Investments accounted for using the equity method	7,000,000	Stocks	70,000
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	100,000	Stocks	3,233
ADATA SEMICONDUCTOR PVT. LTD.	Investments accounted for using the equity method	100,000,000	Stocks	383,888
				<u>\$ 459,121</u>

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2022	
				Consideration	
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	1,000,000	Stocks	\$	10,000
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	500,000	Stocks		5,000
FULLSUNGLOBAL DEVELOPMENT Company Limited	Investments accounted for using the equity method	7,300,000	Stocks		73,000
Taiwan Sports Lottery Co., Ltd.	Investments accounted for using the equity method	3,700,000	Stocks		133,200
Xrider Industrial Co, Ltd.	Investments accounted for using the equity method	600,000	Stocks		9,000
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	350,000	Stocks		10,531
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Investments accounted for using the equity method	25,983,626	Stocks		131,239
				\$	371,970

D. Lease and miscellaneous transactions

(a) Other income

The rent income and other income arising from lease and rendering technology licensing are as follows:

	Years ended December 31,	
	2023	2022
Subsidiaries		
— ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ 14,864	\$ 10,849
— ADATA INTEGRATION BRAZIL S/A	12,787	16,650
— Others	6,805	1,099
Associates	244	682
Other related parties	11	18
	<u>\$ 34,711</u>	<u>\$ 29,298</u>

The decision and collection terms of rent for subletting office to related parties were agreed upon by both parties, and were paid monthly at the inception of lease commencement.

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 14,926	\$ 4,666
Associates	30	116
Other related parties	17	13
	<u>\$ 14,973</u>	<u>\$ 4,795</u>

(c) Guarantee deposits received

Details of guarantee deposits received arising from the lease transactions are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	\$ <u>123</u>	\$ <u>123</u>

(d) Other current liabilities

Details of other advance receipts arising from the technology licensing are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries		
—ADATA INTEGRATION BRAZIL S/A	\$ <u>7,942</u>	\$ <u>20,729</u>

F. Issuance of lottery

Other receivables

To obtain the issuance right for sports lottery, the Company issued a performance guarantee of \$2,000,000. The guarantee period is 10.5 years, the information on other receivables arising from guaranteed expenses, interest expenses and payments on behalf of others is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Joint ventures - Taiwan Sports Lottery Co., Ltd.	\$ <u>48,158</u>	\$ <u>37,197</u>

Additionally, in order to commit to the above performance guarantee, the amounts of collateral, which consists of a time deposit provided by joint ventures, were both \$100,610 as of December 31, 2023 and 2022.

G. Lottery management revenue

(a) Other income

Other income arising from rendering management services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Joint ventures - Taiwan Sports Lottery Co., Ltd.	\$ <u>14,818</u>	\$ <u>15,053</u>

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Joint ventures - Taiwan Sports Lottery Co., Ltd.	\$ <u>14,818</u>	\$ <u>15,053</u>

H. Other transactions

(a) Operating expenses/other payables

i. Service expense and other payables arising from rendering services to related parties are as follows:

	Years ended December 31,	
	2023	2022
Service expense:		
Subsidiaries	\$ 172,289	\$ 134,959
Associates	478	22
Other related parties	254	40
	<u>\$ 173,021</u>	<u>\$ 135,021</u>
	December 31,	
	2023	2022
Other payables:		
Subsidiaries	\$ 21,535	\$ 18,561
Other related parties	430	-
	<u>\$ 21,965</u>	<u>\$ 18,561</u>

(b) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 3,614	\$ 515
Associates	104	74
	<u>\$ 3,718</u>	<u>\$ 589</u>

(c) Other income/Other receivables

Dividend income arising from investment in associates (shown as deduction of investment accounted for using the equity method) is as follows:

	Years ended December 31,	
	2023	2022
Joint ventures	\$ 373,100	\$ 300,000
Associates	-	1,350
	<u>\$ 373,100</u>	<u>\$ 301,350</u>

As of December 31, 2023 and 2022, other receivables arising from aforementioned transactions were both \$0.

I. Guarantee

(a) The Company entered into a loan agreement with banks. Part of the loan is collateralized by key management.

- (b) The Company provision of endorsements and guarantees loan amount for subsidiaries as guarantor.

	Years ended December 31,	
	2023	2022
Guranteed amount		
-ADATA INTEGRATION BRAZIL S/A	\$ -	\$ 307,100
-ADATA ELECTRONICS BRAZIL S/A	-	614,200
	<u>\$ -</u>	<u>\$ 921,300</u>
Actual amount drawn down		
-ADATA INTEGRATION BRAZIL S/A	\$ -	\$ 104,670
-ADATA ELECTRONICS BRAZIL S/A	-	145,375
	<u>\$ -</u>	<u>\$ 250,045</u>

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 122,149	\$ 174,370
Post-employment benefits	809	953
Shared-based payment	12,535	13,083
	<u>\$ 135,493</u>	<u>\$ 188,406</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Current financial assets at amortised cost	\$ 1,000,000	\$ 1,111,420	Pledged to Sports Administration, Ministry of Education, credit facility
Property, plant and equipment	5,811,249	5,663,934	Credit facility
Investment property	83,755	84,697	Credit facility
	<u>\$ 6,895,004</u>	<u>\$ 6,860,051</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognized contract commitments

A. As of December 31, 2023 and 2022, the Company issued promissory notes for borrowing facilities,

proceeds from issuing bonds, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$29,570,615 and \$26,573,724, respectively.

B. As of December 31, 2023 and 2022, the amounts of outstanding letters of credit issued by the Company for inventory purchases and provision of endorsements and guarantees were \$610,050 and \$1,334,880, respectively.

C. As of December 31, 2023 and 2022, the amounts of provision of endorsements and guarantees to others and actual drawn down by the Company were \$0 and \$0; \$921,300 and \$250,045, respectively.

D. According to “Subscription Agreement related to 1686 Partners Fund SCSp”, the Company required to contribute amounts to the Partnership up to an aggregate amount equal to USD 25,000 thousand which will be paid in installments over the duration of the fund. As of December 31, 2023, the Company has paid a total of USD 7,075 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) The Board of Directors of the Company resolved to invest an amount of \$110,000 to incorporate a subsidiary—CHUNGTAI Media Center Co., Ltd. with a 100% equity interest on January 17, 2024.
- (2) The Board of Directors of the Company resolved to participate in the cash capital increase raised by TAISIS TECHNOLOGIES Co., Ltd.’s with an amount of \$290,000 on January 17, 2024. The shareholding ration after subscription of capital increase is 13.67%.
- (3) The Board of Directors of the Company resolved to participate in the cash capital increase raised by a subsidiary—FULLSUNGGLOBAL DEVELOPMENT Co., Ltd.’s with an expected investment amount of \$100,000 on March 8, 2024. The expected shareholding ratio increases from 82.50% to 86.00% after subscription of capital increase.

12. OTHERS

(1) Capital management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

During the year ended December 31, 2023, the Company’s strategy, was unchanged from 2022. As of December 31, 2023 and 2022, the debt to assets ratio is provided in the parent company only

balance sheets.

(2) Financial instruments

A. Financial instruments by category

Please refer to the parent company only balance sheets and related information in Note 6 for the Company's financial assets (including cash and cash equivalents, financial assets at fair value through profit or loss – current, current financial assets at amortized cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at fair value through profit or loss – non-current, non-current financial assets at fair value through other comprehensive income, refundable deposits); and financial liabilities (short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), other current liabilities – refund liabilities, lease liabilities (current/non-current), long-term borrowings (including current portion), guarantee deposits received).

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the management. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

- (i) The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- (ii) Management has set up a policy to require each department in the Company to manage their foreign exchange risk against their functional currency. Each department is required to hedge their entire foreign exchange risk exposure with the Company treasury
- (iii) The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 170,573	30.7050	\$ 5,237,444
<u>Investments accounted for using the equity method</u>			
USD:NTD	240,687	30.7050	7,390,286
BRL:NTD	469,302	6.3412	2,975,935
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	532,578	30.7050	16,352,807
December 31, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 163,603	30.7100	\$ 5,024,248
<u>Investments accounted for using the equity method</u>			
USD:NTD	227,250	30.7100	6,978,839
BRL:NTD	357,849	5.8150	2,080,890
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	194,756	30.7100	5,980,957

(iv) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, please refer to Note 6(26).

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023			
	Sensitivity analysis		
	Degree of variation	Effect on profit or (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 52,374	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(163,528)	\$ -

Year ended December 31, 2022			
	Sensitivity analysis		
	Degree of variation	Effect on profit or (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 50,242	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(59,810)	\$ -

ii. Price risk

- (i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- (ii) The Company's investments in equity securities comprise shares, gold passbook and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$5,366 and \$2,612, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$4,575 and \$3,782, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.
- (ii) The Company's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$202,411 and \$168,027, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss.
- ii. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each operating unit in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.
- iii. Credit risk of investments in debt instruments at amortized cost refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- iv. Based on historical experience, if the contract payments were past due over 31 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company adopts the assumptions under historical experience, the default occurs when the contract payments are past due over 91 days.

- vi. The Company classifies customers' accounts receivable in accordance with geographic area, product categories, and the nature of customer risk. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. In terms of default financial assets, the Company will continue executing the recourse procedures to secure their rights. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.
- ix. The Company used the forecastability of future economic situation to adjust historical and timely information to assess the default possibility of notes and accounts receivable and overdue receivables. The provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2023</u>					
Expected loss rate	0.05%	1%~3%	100.00%	100.00%	
Notes receivable	\$ 383	\$ -	\$ -	\$ -	\$ 383
Accounts receivable	4,265,766	161,651	75	-	4,427,492
Over due receivable	-	-	-	324	324
Total book value	<u>\$ 4,266,149</u>	<u>\$ 161,651</u>	<u>\$ 75</u>	<u>\$ 324</u>	<u>\$ 4,428,199</u>
Loss allowance	<u>(\$ 1,114)</u>	<u>(\$ 1,939)</u>	<u>(\$ 75)</u>	<u>(\$ 324)</u>	<u>(\$ 3,452)</u>

	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2022</u>					
Expected loss rate					
Notes receivable	\$ 829	\$ -	\$ -	\$ -	\$ 829
Accounts receivable	3,911,442	74,131	-	-	3,985,573
Over due receivable	-	-	-	81	81
Total book value	<u>\$ 3,912,271</u>	<u>\$ 74,131</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 3,986,483</u>
Loss allowance	<u>(\$ 1,113)</u>	<u>(\$ 781)</u>	<u>\$ -</u>	<u>(\$ 81)</u>	<u>(\$ 1,975)</u>

The above ageing analysis was based on past due date.

- x. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	2023		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 1,894)	(\$ 81)	(\$ 1,975)
Expected credit impairment gain (loss)	(1,477)	-	(1,477)
Reclassified to overdue receivables	243	(243)	-
At December 31	<u>(\$ 3,128)</u>	<u>(\$ 324)</u>	<u>(\$ 3,452)</u>

	2022		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 2,329)	(\$ 166)	(\$ 2,495)
Expected credit impairment gain (loss)	414	-	414
Reclassified to overdue receivables	21	(21)	-
Derecognised	-	106	106
At December 31	<u>(\$ 1,894)</u>	<u>(\$ 81)</u>	<u>(\$ 1,975)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Surplus cash over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2023 and 2022, the Company held aforementioned investments (excluding cash and cash equivalent) position of \$97,708 and \$55,554, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	\$ 10,484,180	\$ 13,573,088
Expiring beyond one year	1,738,000	50,000
	<u>\$ 12,222,180</u>	<u>\$ 13,623,088</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2024. The remaining facilities are for the Company's operational needs.

- iv. The Company's derivative financial liabilities and non-derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the contractual maturity date. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year and the amount of the Company's non-derivative financial liabilities were in line with the amount recognized in the balance sheet. The contractual undiscounted cash flows are disclosed as follows:

Non-derivative financial liabilities

December 31, 2023	Less than 1 year	Over 1 year	Total
Lease liabilities (current/non-current)	\$ 11,276	\$ 35,094	\$ 46,370
Long-term borrowings (including current portion)	740,565	9,955,558	10,696,123
December 31, 2022	Less than 1 year	Over 1 year	Total
Lease liabilities (current/non-current)	\$ 6,633	\$ 35,611	\$ 42,244
Long-term borrowings (including current portion)	658,312	11,567,076	12,225,388

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in unlisted stocks is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Company's investment in unlisted stocks are included.

- B. Fair value information of investment property at cost is provided in Note 6(11).

- C. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments that were not measured at fair value (including cash and cash equivalents, current financial assets at amortised cost, notes

receivable, accounts receivable (including related parties), other receivables (including related parties), refundable deposits, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities (current/non-current), bonds payable, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities and beneficiary certificates	\$ 97,708	\$ -	\$ 438,847	\$ 536,555
Financial assets at fair value through other comprehensive income				
- Equity securities	358,000	56,021	43,498	457,519
	<u>\$ 455,708</u>	<u>\$ 56,021</u>	<u>\$ 482,345</u>	<u>\$ 994,074</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities and beneficiary certificates	\$ 55,554	\$ -	\$ 205,651	\$ 261,205
Financial assets at fair value through other comprehensive income				
- Equity securities	254,752	-	123,447	378,199
	<u>\$ 310,306</u>	<u>\$ -</u>	<u>\$ 329,098</u>	<u>\$ 639,404</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed (TSE and OTC) and emerging stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Company adopts valuation technique that is

widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

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

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

2023			
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
At January 1	\$ 205,651	\$ 123,447	\$ 329,098
Acquired in the period	249,522	13,501	263,023
Sold in the period	- (	53,306) (	53,306)
Reclassification of long-term equity investment	- (	42,165) (	42,165)
Transfer into Level 1 (Note 1)	- (	19,195) (	19,195)
Transfer into Level 2 (Note 2)	- (	66,052) (	66,052)
Recognised in income(loss)	(16,326)	- (	16,326)
Recognised in other comprehensive income (loss)	-	87,268	87,268
At December 31	<u>\$ 438,847</u>	<u>\$ 43,498</u>	<u>\$ 482,345</u>

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
At January 1	\$ -	\$ 23,739	\$ 23,739
Acquired in the period	166,800	152,300	319,100
Reclassification of long-term equity investment	- (	36,935) (	36,935)
Capital reduction	- (	5,000) (	5,000)
Recognised in income(loss)	38,851	-	38,851
Recognised in other comprehensive income (loss)	- (	10,657) (	10,657)
At December 31	<u>\$ 205,651</u>	<u>\$ 123,447</u>	<u>\$ 329,098</u>

Note 1: The Company has transferred the fair value from Level 3 into Level 1 as ACPay Co., Ltd. registered in Emerging Stocks Board in 2023.

Note 2: The Company has transferred the fair value from Level 3 into Level 2 as the valuation of Microprogram Information Co., Ltd. is based on adjusted observable quoted price at December 31, 2023.

G. Investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement:

<u>December 31, 2023</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Relationship of inputs to fair value</u>
Unlisted stocks	\$ 221,287	Market comparable companies	Price-to-book ratio	0.46~8.07	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	2.47	The higher the Price-to-book ratio, the higher the fair value
			Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks and beneficiary certificates	261,058	Net asset value	Not Applicable	-	Not Applicable
	<u>\$ 482,345</u>				
<u>December 31, 2022</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Relationship of inputs to fair value</u>
Unlisted stocks	\$ 321,598	Market comparable companies	Price-to-book ratio	0.56~9.32	The higher the Price-to-book ratio, the higher the fair value
			Price-to-book ratio	0.78~2.85	The higher the Price-to-book ratio, the higher the fair value
			Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
Unlisted stocks and beneficiary certificates	7,500	Net asset value	Not Applicable	-	Not Applicable
	<u>\$ 329,098</u>				

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. For the years ended December 31, 2023 and 2022, there will be no significant effect on other comprehensive income from financial assets and liabilities categorized within Level 3 if the value of net assets increased and decreased by 1%.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates

and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

No shareholders hold more than 5% of the Company's shares.

ADATA TECHNOLOGY CO., LTD.
Loans to others
Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the		Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party		Ceiling on total loans granted	Footnote	
					December 31, 2023	year ended December 31, 2023								Item	Value	single party	Value			
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	\$	307,050	\$	-	4.5%	Short-term financing	\$	Operations	\$	-	None	\$	1,454,597	\$	4,363,792	Notes 1 and 2
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y		76,094		76,094	-	12.3375%	Short-term financing	Operations	-	-	None	-	303,944		911,832	Notes 1 and 2

Note 1: In accordance with Article 4 of the Operational Procedures for Loans to Others:

- (1) The Company's total lending amount must not exceed 40% of the net assets disclosed in the Company's latest financial statements, and not exceed 30% for short-term financing purpose.
- (2) The loans to each company entity whom the Company has transactions with, the lending amount must not exceed the higher of the Company's purchases from or sales to the counterparty.
- (3) The loans to each entity for short-term financing purpose must not exceed 10% of the net assets disclosed in the Company's latest financial statements.
- (4) Limit on the loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company or limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is not applicable for the limit of 40% of the creditor's net assets. However, limit on the total loans to others and the individual loan must not exceed 40% of the Company's net assets disclosed in the Company's latest financial statements. Loans shall be matured in 1 year, which can be expended based on the actual situation under the approval from the Board of Directors. The abovementioned limit on the total loans to others and individual loans do not apply to items (2) and (3).

Note 2: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD.
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2023	Outstanding endorsement/guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL S/A	Note 2	\$ 1,454,597	\$ 307,050	-	-	\$ -	-	\$ 7,272,987	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Note 2	1,454,597	614,100	-	-	-	-	7,272,987	Y	N	N	Note 3
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A	Note 2	303,944	28,535	-	-	-	-	1,519,719	N	N	N	Note 3
1	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Note 2	303,944	41,218	-	-	-	-	1,519,719	N	N	N	Note 3

Note 1: The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with Operational Procedures for Provision of Endorsements and Guarantees to Others, the ceiling on total amount of endorsements/guarantees provided is:

(1) Less than 50% of the Company's net assets for total endorsements/guarantees provided for others.

(2) Less than 10% of the Company's net assets for endorsements/guarantees provided for each entity the ceiling does not apply in each subsidiary to which the Company directly and indirectly has 100% voting rights but must not exceed 20% of the Company's net assets.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 4: According to the Article 4 of Company's procedures for endorsement, the limits for endorsement amount are as follows:

(1) The total amount of external endorsement may not exceed the Company's paid-in capital.

(2) The total amount of endorsement to one company may not exceed 50% of the Company's paid-in capital, and the total amount of endorsement to the parent company or a subsidiary holding 100% of direct or indirect voting rights may not exceed the Company's paid-in capital.

(3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 5: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Securities held by	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
			Number of shares	Book value	Ownership (%) (note)	Fair value (note)	
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -PGIM Global New Supply Chain Fund-NA (USD)	Financial assets at fair value through profit or loss-current	20,000	\$ 5,036	-	\$ 5,036	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Yunta Japan Leaders Equity Fund -TWD(A)	Financial assets at fair value through profit or loss-current	1,000,000	10,000	-	10,000	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Jih Sun Vietnam Opportunity Fund-N (USD)	Financial assets at fair value through profit or loss-current	20,000	4,526	-	4,526	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - SinoPac ESG Global Digital Infrastructure Fund	Financial assets at fair value through profit or loss-current	37,000	10,168	-	10,168	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Mega Global Bond ETF Strategic Income Fund of Funds- Acc.(USD)	Financial assets at fair value through profit or loss-current	46,000	14,614	-	14,614	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - FSTIC Global Sustainable Impact Investment Multi-Asset Fund-TWD(A)	Financial assets at fair value through profit or loss-current	10,000	3,185	-	3,185	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - UPAMC Taiwan High Dividend and Growth Fund - Acc.	Financial assets at fair value through profit or loss-current	1,000,000	10,980	-	10,980	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Taishin Flexible Income Fund A-USD	Financial assets at fair value through profit or loss-current	20,000	6,257	-	6,257	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - ARBOR TECHNOLOGY CORPORATION	Financial assets at fair value through profit or loss-current	690,599	32,942	0.72	32,942	-
Total				<u>\$ 97,708</u>		<u>\$ 97,708</u>	
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - 1686 Partners Fund SCSp	Financial assets at fair value through profit or loss-non-current	25,000,000	\$ 225,672	-	\$ 225,672	-
ADATA TECHNOLOGY CO., LTD.	Other domestic agreements - Movie Investment	Financial assets at fair value through profit or loss-non-current	-	23,850	-	23,850	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed preferred stock - Kneron (Taiwan) Co., Ltd.	Financial assets at fair value through profit or loss-non-current	899,888	189,325	1.31	189,325	-
Total				<u>\$ 438,847</u>		<u>\$ 438,847</u>	
ADATA TECHNOLOGY CO., LTD.	Domestic emerging common stock - NANOPUS LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,257,232	\$ 14,144	0.73	\$ 14,144	-
ADATA TECHNOLOGY CO., LTD.	Domestic emerging common stock - LIN BIOSCIENCE, INC.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,349,207	153,810	1.72	153,810	-
ADATA TECHNOLOGY CO., LTD.	Foreign listed stock - Digital Domain Holdings Limited	Financial assets at fair value through other comprehensive profit or loss-non-current	146,250,000	172,575	1.98	172,575	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Media Development Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	-	15.87	-	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Abico Asia Capital Corp.	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	7,780	1.30	7,780	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	32,975	-	1.32	-	-

The Company serves as a legal entity director of the company

As of December 31, 2023

As of December 31, 2023								
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - ACpay Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	578,517	\$ 17,471	4.41	\$ 17,471	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - H2U Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	546,000	24,182	2.16	24,182	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Microprogram Information Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,475,000	56,021	3.27	56,021	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Da Shiang Technology Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	750,000	6,358	15.00	6,358	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Carbon Credit Innovation Company Limited	None	Financial assets at fair value through other comprehensive profit or loss-non-current	300,000	3,000	10.00	3,000	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Light Matrix Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	60,000	2,178	1.18	2,178	-
Total								
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	1,700,000	\$ 457,519 \$ 87,210	0.05	\$ 457,519 \$ 87,210	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION	None	Financial assets at fair value through profit or loss-current	700,000	100,450	0.03	100,450	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - AES Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	1,000	753	0.00	753	-
Total								
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - DANEN TECHNOLOGY CORPORATION	None	Financial assets at fair value through other comprehensive profit or loss-non-current	5,391,080	\$ 188,413 \$ 73,049	7.05	\$ 188,413 \$ 73,049	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Ideahouse Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	327,683	-	5.38	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Abomem Technology Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock -Whistle holdco, LLC	None	Financial assets at fair value through other comprehensive profit or loss-non-current	654,000	-	0.73	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock -JANUS TECHNOLOGY GROUP, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	500,000	19,455	1.92	19,455	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ACLOUD INTELLIGENCE SERVICES CORP. LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	9,280	16.67	9,280	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,668,300	5,689	2.36	5,689	-

As of December 31, 2023								
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Joy capital Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	800,000	\$ 2,702	11.76	\$ 2,702	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - TransWorld Production Co.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	120,000	498	1.25	498	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	-	9.35	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Mucho International Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	-	17.08	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Dragon Yi Investment Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	400,000	12,162	12.90	12,162	-
Total					<u>\$ 122,835</u>		<u>\$ 122,835</u>	
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company common stock - Golden Crown Green Energy Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,522,440	\$ -	0.67	\$ -	-
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company common stock - Vantage Metro Limited	None	Financial assets at fair value through other comprehensive profit or loss-non-current	166,670	-	2.25	-	-
Total					<u>\$ -</u>		<u>\$ -</u>	
ADATA CAPITAL CO., LTD.	Domestic non-listed common stock - Asustor Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,982,628	\$ 76,529	13.22	\$ 76,529	-
Total					<u>\$ 76,529</u>		<u>\$ 76,529</u>	
ADATA TECHNOLOGY(INDIA) PRIVATE LTD.	Foreign non-listed company common stock - Leaf Technologies Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	250	\$ -	1.60	\$ -	-
Total					<u>\$ -</u>		<u>\$ -</u>	
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company common stock - LANGOGO GLOBAL LIMITED	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	\$ -	11.44	\$ -	-
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company common stock - JOINT MOUNTAIN TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	7,407,400	66,734	7.41	66,734	-
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company common stock - NOTTA INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	103,934	7.27	103,934	-
Total					<u>\$ 170,668</u>		<u>\$ 170,668</u>	

Securities held by	Relationship with the securities issuer	Marketable securities	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Beijing Function Capital Management Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	\$ 4,327	10.00	\$ 4,327	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Shanghai Shangguang Enterprise Management Consulting Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	323,778	83,147	1.44	83,147	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Qingdao Nuotai Biotechnology Co., LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	2,307,692	36,210	18.75	36,210	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	None	Foreign non-listed company Capital Contribution Certificate - Jiangxi Fire Eye Intelligence Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	1,800,000	1,072	18.00	1,072	-
Total								
LIWANLI Innovation Co., Ltd.	None	Domestic emerging common stock - LIN BIOSCIENCE, INC.	Financial assets at fair value through profit or loss-current	208,000	\$ 124,756 \$ 23,712	0.26	\$ 124,756 \$ 23,712	-
Total								
LIWANLI Innovation Co., Ltd.	None	Domestic non-listed common stock - DISK KING TECHNOLOGY CO., LTD.	Financial assets at fair value through other comprehensive profit or loss-non-current	125,600	\$ 23,712 -	10.23	\$ 23,712 -	-
LIWANLI Innovation Co., Ltd.	None	Domestic non-listed common stock - ACpay Co., Ltd.	Financial assets at fair value through other comprehensive profit or loss-non-current	320,995	9,694	2.44	9,694	-
Total								
Zhen Lian Investment Co., Ltd.	None	Domestic emerging common stock - LIN BIOSCIENCE, INC.	Financial assets at fair value through profit or loss-current	50,000	\$ 9,694 \$ 5,700	0.06	\$ 9,694 \$ 5,700	-
Total								
					\$ 5,700		\$ 5,700	

Note: The percentage of ownership is calculated based on the total number of issued shares of the investee company; The fair value of listed stocks, OTC stocks, emerging stocks, and closed-end mutual funds are based on latest quoted fair prices of accounting period.

Open-end and balanced mutual funds are based on the net assets value at the balance sheet date. Unlisted stocks are measured at fair value based on the Company's evaluation.

ADATA TECHNOLOGY CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023			Addition			Disposal			Balance as at December 31, 2023		
					Number of shares (Units)	Amount		Number of shares (Units)	Amount		Selling price	Book value	Gain (loss) on disposal	Number of shares (Units)	Amount	
ADATA TECHNOLOGY CO., LTD.	Stock	Investments accounted for under equity method	ADATA SEMICONDUCTOR PVT. LTD.	The Company's Subsidiary	-	\$	-	107,600,000	\$	412,184	\$	-	\$	-	107,600,000	\$ 412,184

ADATA TECHNOLOGY CO., LTD.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)				
Purchaser/seller	Counterparty	Relationship with the counterparty	Percentage of total purchases		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount					
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 4,571,432) (	17) Collection terms are 90 days (End of month)	None	\$ 767,281	17	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(931,150) (	3) Collection terms are 90 days (End of month)	None	231,449	5	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(6,055,212) (	22) Collection terms are 90 days (End of month)	None	1,327,407	30	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD	ADATA TECHNOLOGY CO., LTD	The Company	Processing income	(2,989,701) (	84) Collection terms are 60 days (End of month)	None	5,854,930	98	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(2,266,727) (	100) Collection terms are 90 days (End of month)	None	1,469,450	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	4,571,432	93 Collection terms are 90 days (End of month)	None	(767,281) (	100)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	931,150	91 Collection terms are 90 days (End of month)	None	(231,449) (	88)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	6,055,212	99 Collection terms are 90 days (End of month)	None	(1,327,407) (	100)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	2,266,727	47 Collection terms are 90 days (End of month)	None	(1,469,450) (	89)	-
ADATA TECHNOLOGY CO., LTD	ADATA TECHNOLOGY (SUZHOU) CO., LTD	The Company's Subsidiary	Processing fees	2,989,701	6 Collection terms are 60 days (End of month)	None	(5,854,930) (	65)	-

ADATA TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Creditor	Counterparty	Relationship with the counterparty	Overdue receivables				Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			Balance as at December 31, 2023	Turnover rate	Amount	Action taken		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 767,281	5.27	\$ -	Not applicable	\$ 558,458	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	231,449	4.85	-	Not applicable	160,397	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	1,327,407	5.90	-	Not applicable	943,492	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	5,854,930	3.88	-	Not applicable	561,560	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	1,469,450	1.77	-	Not applicable	261,690	-

ADATA TECHNOLOGY CO., LTD.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 7
Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction						Percentage of consolidated total operating revenues or total assets (Note 2)
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Sales	\$ 6,055,212	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	1,327,407	Note 4
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	4,571,432	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	767,281	Note 4
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	931,150	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	231,449	Note 4
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	2,989,701	Note 5
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	5,854,930	Note 5
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	2,266,727	Note 3
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	1,469,450	Note 4
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Parent company to Subsidiary company	Accounts receivable	51,252	Note 4

Note 1: The parent company is numbered “0”. The subsidiaries are numbered in order starting from ‘1’.

Note 2: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts and based on accumulated amount in the interim to consolidated total operating revenues for income statement accounts.

Note 3: The sale prices were similar to those given to third parties.

Note 4: The credit terms made to the third party were shipped after pre-payment to 150 days after monthly billings. The credit terms made to the related party were shipped after pre-payment to 90 days after monthly billings.

Note 5: Processing price and payment terms to the related party are available to the third party.

ADATA TECHNOLOGY CO., LTD.
The related information on investees are as follows (not including investees in Mainland China)
Year ended December 31, 2023

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023				Expressed in thousands of NTD (Except as otherwise indicated)	
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 760,000	\$ 760,000	76,000,000	100.00	\$ 671,183	\$ 42,942	\$ 42,942	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	1,295,001	1,295,001	130,000,000	100.00	834,768	45,386	45,386	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	183,000	181,000	18,300,000	100.00	169,432	(10,415)	(10,415)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	776,000	776,000	77,600,000	100.00	680,138	(53,742)	(53,742)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,544,347	2,541,114	79,937,598	100.00	6,624,714	605,491	605,491	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	U.S.A.	Trading of electronic material and components	66,637	66,637	200,000	100.00	757,043	111,701	111,701	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Netherlands	Trading of electronic material and components	16,570	16,570	300,020	100.00	10,223	919	919	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,597,378	1,597,378	205,983,626	100.00	2,975,935	503,281	503,281	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology (Japan) Co., Ltd.	Japan	Trading of electronic material and components	7,977	7,977	600	100.00	14,992	1,141	1,141	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology Mexico SDRL DE CV.	Mexico	Trading of electronic material and components	6,872	6,872	6,649,647	100.00	15,909	4,150	4,150	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA SEMICONDUCTOR PVT. LTD.	India	Trading of electronic components and computer peripherals	412,184	-	107,600,000	99.63	378,685	(20,159)	(19,839)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	180,192	(183,982)	(183,982)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,991	5	5	Note 1(1)

		Initial investment amount			Shares held as at December 31, 2023				Investment income	
		Balance as at		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31,	Footnote		
		December 31, 2023	December 31, 2022							
Investor	Investee	Location	Main business activities	Number of shares						
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	1,000,000	74.63	\$ 8,529	\$ 12,298	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	3,410,000	56.83	25,233 (	3,247) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	43,852,925	54.37	799,751	5,103 (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	WE LEAD BIOTECH CO., LTD.	Republic of China	Portal website operation	800,000	39.41	1,176 (	1,202) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	FULLSUNGLOBAL DEVELOPMENT Company Limited	Republic of China	Venue leasing, cultural and creative and art and catering	33,000,000	82.50	241,994 (	63,800) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components, sales of biotechnology and system development	6,748,970	26.20	372,187 (	18,331) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Master Acoustics International Corp. Limited	Hong Kong	The sales of sound optimised resonator, sound optimised coating and bioacoustics	-	-	-	5	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	5,500,000	23.50	-	-	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Taiwan Sports Lottery Co., Ltd.	Republic of China	Issuing or selling of Sports Lottery	28,700,000	51.07	1,715,794	1,106,699	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,337,316	26.14	313,795 (	52,889) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	1,300,000	13.00	-	-	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	All In Digital Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	180,000	18.00 (	3,311) (	70) (	Note 1(1)		
ADATA TECHNOLOGY CO., LTD.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	3,000,000	24.06	25,923 (	579) (	Note 1(1)		

Initial investment amount				Shares held as at December 31, 2023				Investment income		
			Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	(loss) recognised by the Company for the year ended December 31, 2023	Footnote
			\$	\$			\$	(\$	(\$	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	XRIDER INDUSTRIAL CO., LTD.	Republic of China		47,228	3,323,550	22.05		-	63,833	14,106
ADATA TECHNOLOGY CO., LTD.	Shining Star Entertainment CO., LTD.	Republic of China	13,500	-	675,000	45.00	11,195	(	5,762)	2,305
ADATA TECHNOLOGY CO., LTD.	Baasid International lab CO., LTD.	Republic of China	75,225	-	1,956,000	39.92	87,894	(	10,462)	126
ZHAO-XING INVESTMENT CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	15,000	15,000	1,500,000	6.41	-	-	-	Notes 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	8,974	8,974	676,000	2.12	39,612	(	52,889)	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	British Cayman Islands	1,847,058	1,847,058	57,928,317	100.00	6,642,008		601,676	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	India	65,424	65,424	2,287,207	100.00	38,251		5,501	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	141,964	138,731	4,486,944	100.00	11,153		478	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	102,058	102,058	3,450,322	100.00	83,598	(	1,709)	Notes 1(1) and 2
ADATA INVESTMENT COMPANY LIMITED	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	10,251	10,251	340,000	25.37	8,349		12,298	Notes 1(1) and 2
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Hong Kong	1,846,495	1,846,495	449,376,284	100.00	6,645,066		601,681	Notes 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Brazil	1,137,034	1,137,034	131,609,067	84.30	1,731,978		505,007	Notes 1(2) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	289,599	289,599	52,812,026	84.30	1,005,033		104,045	Notes 1(2) and 2
ALLIED TREASURE INC. LIMITED	Alwin Co., Ltd.	Samoa Islands	130,520	130,520	4,000,000	40.00	39,233		3,201	Notes 1(1) and 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	Hong Kong	-	29,618	-	-	-		52	Notes 1(1) and 2

Initial investment amount				Shares held as at December 31, 2023							
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	Republic of China	General Investment	\$ 67,000	\$ 67,000	-	100.00	\$ 66,217	\$ 11,290	\$ -	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	Republic of China	General Investment	70,000	70,000	-	100.00	47,785	2,823	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	90,722	90,722	23,596,000	100.00	(19,397)	(3,724)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components, sales of biotechnology and system development	45,000	45,000	1,836,006	7.13	125,361	(18,331)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	12,000	12,000	1,200,000	12.00	-	-	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	6,000	6,000	600,000	10.00	6,000	(3,247)	-	Notes 1(1) and 2
LIWANLI Innovation Co., Ltd.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	30,000	30,000	3,000,000	12.82	-	-	-	Notes 1(1) and 2
Longevity Wealth Limited	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	30,420	30,420	1,000,000	10.00	18,142	3,201	-	Notes 1(1) and 2

Note 1: Indicate the basis for investment income (loss) recognition in the number of one of the following two categories:

- (1) Financial statements audited by the independent auditors appointed by the Company.
- (2) Financial statements audited by other independent auditors.

Note 2: The investment income which was not disclosed was recognised by a subsidiary company.

ADATA TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2023

Expressed in thousands of NT\$ (Except as otherwise indicated)														
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan				Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023 (direct or indirect)	Ownership held by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
				to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Taiwan to								
				Accumulated amount of remittance from	Remitted to Mainland China	Remitted back to Taiwan	Mainland China as of December 31, 2023							
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	\$ 1,299,223	2	\$	-	\$	-	\$	1,299,223	100.00	\$ 345,371	\$ 5,483,882	\$ -	Notes 2(1) and 3
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	592,704	2		-		-		592,704	100.00	60,997	858,275	-	Notes 2(1) and 4
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2		-		-		131,134	100.00	8,563	72,693	-	Notes 2(1) and 5
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2		-		-		3,019	100.00	-	-	-	Notes 2(1) and 6
Suzhou Hejun New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery charger, computer peripherals products, circuit boards and plug-ins.	963,516	2		-		-		7,547	0.67	-	-	-	Note 8
Beijing Function Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3		-		-		-	10.00	-	4,327	-	Note 9
Shandong Weigang Fengshi Technology Development Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3		-		-	(	3,209	36.64	(1,376)	857,968	-	Notes 2(1) and 10
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3		-		-	-	247,615	25.00	60,824	115,889	-	Notes 2(1) and 11
Shanghai Shangguang Enterprise Management Consulting Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3		-		-	-	-	1.44	-	83,147	-	Note 12

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023		Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023		Net income of investee as of December 31, 2023 (direct or indirect)	Ownership held by the Company	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
				\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
SuZhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	\$ 6,169	3														Note 13
Shenzhen Fire Eye Intelligence Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3									2,448	30.00	735	70,420	-	Notes 2(1) and 14
Ningbo Xinrou Biotechnology Co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3									(6,922)	30.00	(2,076)	43,612	-	Notes 2(1) and 15
Qingdao Nuotai Biotechnology Co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3									-	18.75	-	36,210	-	Note 16
ADATA TECHNOLOGY (Qingdao) Co., LTD.	Manufacture and trade of electronic components and smart car equipment	438	3									(1)	100.00	(1)	415	-	Notes 2(2) and 17
Skywin Technology (Qingdao) Co., Ltd.	Engineering technology research, test development, information consulting services and electronics wholesale of spare parts	856,050	3									3,088	33.33	1,136	305,816	-	Notes 2(2) and 18
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	57,992	2									(3,708)	100.00	(3,708)	29,885)	-	Notes 2(1) and 19
Qingdao Fengshi Chongke Biotechnology Co., Ltd.	Pet services and sales of pet food and supplies	180,239	3									(51,780)	25.00	(13,013)	28,641	-	Notes 2(2) and 20
Jiangxi Fire Eye Intelligence Co., Ltd.	Sales of information security devices and providing network technology service and development	7,990	3									-	18.00	-	1,072	-	Note 21

Note 1: Investment methods are classified into the following three categories:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others.

Note 2: The investment gain and loss on investees were recognized based on the follows:

- (1) Financial statements audited by the independent auditors appointed by the Company.
- (2) Financial statements that were audited by other independent auditors.

Note 3: ADATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD.. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 40,000 thousand. The case was approved by investment commission of MOEA.

Note 4: ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 26,500 thousand. The case was approved by investment commission of MOEA.

Note 5: ADATA ELECTRONICS (SHANGHAI) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 4,000 thousand. The case was approved by investment commission of MOEA.

Note 6: ERATO (SZ) CORPORATION LTD. is a 100% owned subsidiary of ERATO (HK) CORPORATION LIMITED. ERATO (HK) CORPORATION LIMITED is an indirect wholly-owned subsidiary of the Company. Total owner contribution is USD 100 thousand. The case was approved by investment commission. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park’s supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 7: Through the Company’s indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 3.57% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory. Total owner contribution was USD1,031 thousand. The case was approved by the Investment Commission. Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory filed cancellation registration to PRC on July 9, and March 2, 2012, respectively, the cancellation of investment was approved by investment commission of MOEA on November 21, 2012. However, the facility of investment in Mainland China has not been released.

Note 8: Through the Company’s indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 0.67% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Suzhou Golden Crown New Energy Co., Ltd.. Total owner contribution was USD 248 thousand. The case was approved by the Investment Commission of MOEA.

Note 9: The Company acquired a 10% equity interest in Beijing Function Capital Management Co.,Ltd. in the amount of RMB 1,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 10: The Company acquired a 5.82% equity interest in Shandong Weigang Fengshi Technology Development Co., Ltd. in the amount of RMB 29,531 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

The Company acquired a 30.82% equity interest in Shandong Weigang Fengshi Technology Development Co., Ltd. in the amount of RMB 175,000 thousand through the Company’s indirectly wholly-owned investee, ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD..

Note 11: The Company acquired a 25% equity interest in Fengshi (Qingdao) Marine Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 12: The Company acquired a 1.44% equity interest in Shanghai Shangguang Enterprise Management Consulting Co., Ltd. in the amount of RMB 12,999 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 13: The Company acquired a 3.76% equity interest in Suzhou Qdreamer Technology Co.,Ltd in the amount of RMB 5,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

The Company disposed of 3.76% equity interest in Suzhou Qdreamer Technology Co.,Ltd during the third quarter of 2023

Note 14: The Company acquired a 30% equity interest in Shenzhen Fire Eye Intelligence Co. ,Ltd. in the amount of RMB 14,385 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 15: The Company acquired a 30% equity interest in Ningbo Xinrou Biotechnology co. LTD in the amount of RMB 13,573 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 16: The Company acquired a 18.75% equity interest in Qingdao Nuotal Biotechnology co. LTD in the amount of RMB 30,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 17: The Company acquired a 100% equity interest in ADATA TECHNOLOGY (Qingdao) CO., LTD. in the amount of RMB 100 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 18: The Company acquired a 33% equity interest in Skywin Technology (Qingdao) Co., Ltd. in the amount of USD 10,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (HK) CO., LTD.

Note 19: The Company established and acquired a 100% equity interest in LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD. through the Company’s indirectly wholly-owned investee, Longevity Wealth Limited. The actual investment was USD 2,000 thousand.

Note 20: The Company acquired a 25% equity interest in Qingdao Fengshi Chongke Biotechnology Co., Ltd. in the amount of RMB 10,000 thousand through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 21: The Company acquired a 18% equity interest in Jiangxi Fire Eye Intelligence Co., Ltd. through the Company’s indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 1)	
ADATA TECHNOLOGY CO.,LTD.(Note 2)	\$ 2,066,820	\$ 2,354,741	\$ 8,727,584		
LIWANLI Innovation Co., Ltd. (Note 3)	57,992	86,532	470,108		

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2023, investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$ 73,379 thousand.

Note 3: As of December 31, 2023, LIWANLI Innovation Co., Ltd.’s investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$ 3,000 thousand.

ADATA TECHNOLOGY CO., LTD.

Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area

Year ended December 31, 2023

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Others
	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Balance at December 31, 2023	Interest rate	
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	Note
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	-	-	-	-	51,252	81	-	-	-	-	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	(931,150)	(91)	-	-	(231,449)	(88)	-	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2023 amounted to \$2,989,701. Accounts payable of \$5,854,930 was recognised as of December 31, 2023.

